



PUBLIC MEETING MINUTES

Wednesday, March 29th, 2023, 10:30 am

This meeting will be held via zoom only

Join Zoom Meeting:

<https://us06web.zoom.us/j/82308757175?pwd=eVVDR1pUanFQdUQ3R0ZxVGM5ZFpQdz09>

(see next page for call in details)

I. Regular Board Meeting Public Forum

A. Call to Order/start recording

The meeting was called to order at 10:33 and recording started.
Olsen and Altman were present so there is a quorum.

B. Revise February Meeting Minutes- *Action*

Olsen moved to approve the February meeting minutes as presented. Altman seconded. No Discussion. The motion passed unanimously.

C. Public comment on relevant non-agenda items – *Discuss*

None.

II. New Business

A. Board updates and correspondence – *Discuss*

a. Resort Tax funds release

(see attached board packet for details)

The preference of BSRAD and BSCWSD would be to make a new agreement allocating new funds (separate from the \$12M) that allows the Canyon District to advance some key items now before the \$12M is made available. There is a key “feasibility” criteria attached to the \$12M and BSCWSD and BSRAD would like some physical data from discharge sites to be collected before that is released. The upcoming rate study will help dial in the economic feasibility of the project.

Both BSCWSD and GCCWSD would need to sign an agreement and bring that back to BSRAD at BSRAD’s April 19th meeting.

A draft will be finalized and a special meeting of the GCCWSD board will be held to get GCCWSD board approval.

WGM will help coordinate details of the process with BSRAD and help organize the meeting.

GCCWSD was approved for \$300k operating budget from BSRAD (raised from the original \$74k for the first three years).

b. Schumacher reelection by acclamation – *Discuss*

Schumacher was reelected for another term, 4 years now. She was the only one to file candidacy so it will not go to vote in May.

B. Annexation and Outreach Committee updates – *Discuss*

An annexation and outreach meeting was held with the intention of sharing the annexation forms, but many questions came up so more planning is needed.

The main reason to get people to sign up now (from district's perspective) is for opening up access to public funding options. What is the incentive for individuals to join? What risk?

Outreach materials answering these questions are being developed.

From talking with the legal counsel, they are now considering adding language that no charges will be charged to District members until the GCCWSD and BSCWSD have an agreement trading flow and discharge.

Adding a 60-day window to leave the District after the GCCWSD and BSCWSD have an agreement trading flow and discharge and initial costs are set was also considered.

Clarify what it means to join the District. People are concerned about ordinances that may be implemented at a later date.

The District hopes to have much better cost estimates and ideas of how HOAs/Utility associations would join.

The district will consider waiting until more information to push Ramshorn annexation, but still use the early annexation form for other properties on the river side of the highway.

Stuart Goldberg, with property near the River is happy to annex but recognizes the difference of his case (needs a system) versus Ramshorn which has a functioning system.

Wilson indicated that Whitewater Inn would also likely be ready to annex quickly.

Olsen wants to be cautious about talking about "excess capacity" until more is known about what capacity the District has for discharge permitting and what the ratio of disposal/treatment will be.

C. BSCWSD-BSRAD-GCCWSD "joint project subcommittee" Updates – *Discuss*

There has been no meeting, beyond the discussions of funding mentioned above.

D. WGM Group Updates – *Discuss*

(see attached board packet)

BSRAD Operations Budget Request for (\$300k) was approved by BRSAD. There is a chance that, if the BSCWSD and GCCWSD join request is approved, this could be reduced.

BSRAD Capital Improvement Planning may become a priority.

ARPA Reimbursement submitted after the last meeting was processed (\$80,522) and should arrive by check in the next few days. (later in the meeting Altman was notified that the check had arrived).

Ryan Graf from AE2S presented *preliminary* findings of the rate and impact fee study, requesting feedback before finalization.

Note that there are other factors being explored to help lower user costs (additional grants, nutrient trading, disposal capacity sale, etc.)

After the initial sewer project, costs to add additional properties could be added incrementally (likely lowers cost to existing district, raises for new) or rolled-in (likely raises costs to existing district members, lowers for new).

The value for nutrient removal is estimated at \$500/lb for current accounting purposes – but this is highly variable.

Between nutrient credits and disposal reuse the connection cost left for the 77 lower ramshorn homes to split could be ~ \$0-\$20,000.

(see attached slides – note that all values presented are preliminary)

Without water service to determine how much water is used to have a per-use cost, the District will likely need to charge rates as a fixed cost per user class.

Rough estimate of rates could be about \$55-61/month. The connection fee could be rolled into rates to spread costs over time, raising monthly rates. Depending on how many years this is spread over this brings estimated costs to \$63.50 - \$176/month.

Could resort tax be used to offset connection fees for existing users? There is potential for that.

These rates and fees will be adjusted as plans progress.

MCEP grant funds (pending) are tied to user rate – there is a chance these are too low to be eligible for the full award unless connection fee/debt service is rolled into rates.

Next priority should be progressing the discharge permitting process.

E. WGM Group Scope and Budget for the Canyon Sewer Project – Action

The board reviewed this contract last meeting but held off until they had more money in the bank. They will have money in the bank from state ARPA reimbursement in the next few days.

Olsen moved to approve the scope of work. Altman seconded. No Discussion. The motion passed unanimously.

F. Sewer Project Invoice Payment with ARPA request for relief from “reimbursement-only” requirement – Action

As discussed at last meeting, the District has been cash locked. The same relief from “reimbursement-only” requirement presented last month is now accompanied by \$42,559.05 of pay requests. ARPA may approve or deny the request for waiver. If they deny the request, the District will have to find a way to pay the invoices and apply for reimbursement, as usual.

Olsen moved to approve the payment request and authorize Altman to sign the forms presented. Altman seconded. No Discussion. The motion passed unanimously.

G. State ARPA quarterly report – Action

It is currently unclear if the draw request discussed in section F can be used as the quarterly report that is due in early April. In case a separate report is required, it would be helpful if Altman could be authorized to review and sign the report. It would have no new information but merely combine the content of the two draw requests from this quarter into a single quarterly summary.

Olsen moved to authorize altman to review and sign the State ARPA quarterly report if needed. Altman Seconded. No Discussion. The motion passed unanimously.

H. Gallatin County ARPA Grant Contract for Sewer Project Phase 1.1 – Action

Board members have had a chance to review the contract for securing county ARPA funds.

Jon moved to enter the contract as presented and authorize Scott to sign on GCCWSD's behalf. Altman seconded. No discussion. The motion passed unanimously.

I. Gallatin County ARPA Grant Contract for Water Preliminary Engineering Report (PER) Project-Action

The county has not finalized this contract, so this has been tabled until the next meeting.

J. Water PER Engineering services procurement – Discuss, maybe Action

The PER procurement could be done by obtaining quotes or through a RFQ/RFP (more detailed) process.

WGM Group recommended an RFP process but is open to either.

Olsen moved that the District draft an RFP for the Water PER to be reviewed and approved at a later meeting. Altman seconded. No discussion. The motion passed unanimously.

III. Old Business

A. Bylaw update –Discuss

Legal counsel has not yet contributed their input. This has been tabled.

B. District Legal Counsel Letters of Engagement (Matt Williams) – Discuss, maybe Action

Not yet ready.

C. Board Member COI Disclosure (Schumacher) – Discuss

Schumacher was not present, so this was tabled until the next meeting.

IV. Any Other Business Which May Properly Come Before the Board – Discuss

Olsen asked when we will have better estimates of disposal capacity. WGM says pretty good estimates will be available in about a month, after another discussion with DEQ. Even more refined results will be available late fall, after field measurement have been evaluated.

V. Next Meeting Planning

A. Date & Draft Agenda – Discuss

A special meeting will be needed to approve the BSCWSD-GCCWSD joint application to BSRAD – the date will be set later, and proper notice will be given.

The next regular board meeting will be held Tuesday April 25th at 10:30am.

VI. Adjourn

Olsen moved to adjourn the meeting. Altman seconded. No Discussion. The motion passed unanimously.

Public comment will be encouraged before all non-emergency non-ministerial Actions.

Minutes Drafted by: Michelle Pond, WGM Group

Minutes Approved:

Signed: Scott Alman, Board President

A handwritten signature in black ink, appearing to be 'S. Alman', written over a horizontal line.



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II. New Business

- A. Board updates and correspondence – *Discuss*
 - a. Resort Tax funds release
 - b. Schumacher reelection by acclamation - *Discuss*
- B. Annexation and Outreach Committee updates – *Discuss*
- C. BSCWSD-BSRAD-GCCWSD “joint project subcommittee” Updates – *Discuss*
- D. WGM Group Updates – *Discuss*
- E. WGM Group Scope and Budget for the Canyon Sewer Project – *Action*
- F. Sewer Project Invoice Payment with ARPA request for relief from “reimbursement-only” requirement – *Action*
- G. State ARPA quarterly report – *Action*
- H. Gallatin County ARPA Grant Contract for Sewer Project Phase 1.1 – *Action*
- I. Gallatin County ARPA Grant Contract for Water Preliminary Engineering Report (PER) Project- *Action*
- J. Water PER Engineering services procurement – *Discuss, maybe Action*

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- A. Bylaw update –*Discuss*
- B. District Legal Counsel Letters of Engagement (Matt Williams) – *Discuss, maybe Action*
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One tap mobile

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+13462487799,,82308757175#,,,,*713630# US (Houston)

Dial by your location

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+1 346 248 7799 US (Houston)

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 719 359 4580 US

+1 253 205 0468 US

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 931 3860 US

+1 689 278 1000 US

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

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Find your local number: <https://us06web.zoom.us/j/kcAEFwMe1D>

GCCWSD MEETING ATTENDANCE SHEET

10:30 AM; 3/29/23; Zoom Only



#	Name	Affiliation	Contact	Remote Attendance?
1	Michelle Pond	WGM Group	Mpond@wgmgroup.com	X
2	Mace Mangold	WGM Group	mmangold@wgmgroup.com	X
3	Scott Altman	GCCWSD Board	orock9530@me.com	X
4	Jon Olsen	GCCWSD Board	jolsen@lonemountainland.com	X
5	Al Malinowski	Ramshorn	Al_mal@yahoo.com	X
6	Ryan Graff	AE2S	Ryan.graff@ae2s.com	X
7	Steve Johnson	BSRAD	steve@resorttax.org	X
8	Kristin Gardner	Ramshorn + GRTF	kristin@gallatinrivertaskforce.org	X
9	Stuart Goldberg	st	Stuart925@gmail.com	X
10	Chad Wilson	Ramshorn; big sky resort	Chad.wilson@bigskyresort.com	X
11	Scott Buecker	AE2S	Scott.buecker@ae2s.com	X



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+1 507 473 4847 US

+1 564 217 2000 US

+1 646 931 3860 US

+1 689 278 1000 US

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

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A. Resort Tax Funds Release
GCCWSD-BSCWSD Joint Request

**JOINT REQUEST OF
Big Sky County Water and Sewer District No. 363, Montana and
Gallatin Canyon County Water and Sewer District, Montana for
Award of Resort Tax Revenues [or: Use of Project Contribution] for
Joint Feasibility Assessment of the Canyon Water and Sewer Project**

THIS JOINT REQUEST is made this 31st day of March, 2023, by the Big Sky County Water and Sewer District No. 363, Montana (“BSWSD”) and the Gallatin Canyon County Water and Sewer District (“GCWSD”) to the Big Sky Resort Area District (“District”) for an award of resort tax revenues **not to exceed \$400,000** to be used to determine the overall feasibility of the construction of the Canyon Sewer Project (as defined below) to be allocated by the District to BSWSD and GCWSD as set forth below (“Joint Request”).

The parties believe a determination of feasibility of the overall Canyon Sewer Project by each of the Board for BSWSD and GCWSD is critical before any BSRAD funds previously allocated to any portion of the Project should be expended. This Joint Request is made because neither part of the project may proceed to construction if the other part is deemed not feasible.

For purposes of this Joint Request, the Canyon Sewer Project is described as containing two parts:

Part 1 is the construction of a lift station near the intersection of U.S. Route 191 and Highway 64, a wastewater forcemain up the Highway 64 corridor to BSWSD’s water resource recovery facility (the “WRRF”), and a pipeline conveying treated effluent back to the Canyon Area (collectively, the “Highway 64 Project”). If constructed, the Highway 64 Project assets will be owned by BSWSD. Consistent with the directive of the voters on May 5, 2020, the District has previously allocated up to \$12,000,000 from the Infrastructure Resort Tax collections for the Highway 191 Project (the “District Highway 64 Contribution.”)

Part 2 is the construction of up to five miles of sewer collection main along the Highway 191 corridor and the immediately adjacent developments which will convey wastewater to the interconnection with the Highway 64 Project and re-convey treated effluent from the interconnection with the Highway 64 Project to a disposal and reuse main and the associated groundwater discharge infrastructure to be constructed along the Highway 191 corridor (collectively, the “Highway 191 Project”). If constructed the Highway 191 Project assets will be owned by GCWSD.

Collectively, the Highway 64 Project and the Highway 191 Project are defined in this Joint Request as the “Canyon Sewer Project.” While the Canyon Sewer Project is described as consisting of two parts, the parties agree the two parts are not separable; in other words, neither the Highway 64 Project nor the Highway 191 Project will proceed if the other is not also deemed feasible. Further, each the Highway 64 Project and the Highway 191 Project may proceed simultaneously or on

parallel or overlapping tracts or timetables if/when both are determined to be feasible.

While some work related to the feasibility of the Canyon Sewer Project has been completed, more work is required, and neither BSWSD nor GCWSD has the funding necessary to retain needed experts to complete the required feasibility work needed as a prerequisite to consideration by the Boards of each BSWSD and GCWSD.

The feasibility work that has been completed is:

Work Description	Requested By:	Professional That Completed Work	Date Completed
Canyon Sewer Feasibility Study	Gallatin River Task Force	WGM/AE2S	May 2020
Canyon Sewer Preliminary Engineering Report	BSWSD	WGM/AE2S	July 2021
Canyon Septic Inventory & Collection Prioritization Study	Gallatin River Task Force, GCWSD	WGM	September 2022

The feasibility work that still needs to be completed is:

Work Still Needed	Work Requested By BSWSD or GCWSD	Date Work To Be Completed
Preliminary Non-Degradation & Human Health Assessment Report	GCWSD	June 2023
2023 Groundwater Data Collection	GCWSD	October 2023
DEQ data/studies review and correspondence (regulatory feasibility)	GCWSD	January 2024
Right-of-way and Lift Station Easement Agreement(s) (access feasibility)	BCWSD	January 2024
Connection Fee & Rate Study (economic feasibility)	GCWSD	January 2024

Preliminary Funding Package (economic feasibility)	GCWSD/BCWSD	January 2024
Treatment / Disposal Service Agreement	GCWSD/BCWSD	January 2024

Once all of the feasibility work is completed, each the BSWSD Board and the GCWSD Board must make a determination that the their respective parts of the Canyon Sewer Project are feasible, before any portion of the Canyon Sewer Project may move forward. The feasibility determination shall be made by each Board not later than 45 days following receipt of the last work to be completed.

BSWSD and GCWSD therefore make this out-of-cycle request for an award of resort tax revenues **[or: make this request for the use of a portion of the District Highway 64 Project Contribution]** in the amount described in the below table, for the described feasibility work, and allocated to the party noted below:

Work Required	Professional Engaged	Estimated Amount for Work	Award Allocated to BSWSD or GCWSD
Preliminary Non-Degradation & Human Health Assessment Report (discharge feasibility)	WGM	\$50,000	
2023 Groundwater Data Collection (discharge feasibility)	WGM	\$100,000	
DEQ data/studies review and correspondence (regulatory feasibility)	WGM	\$20,000	
Right-of-way and Lift Station Easement Agreement(s) (access feasibility)	AE2S	\$50,000	
Connection Fee & Rate Study (economic feasibility)	AE2S	\$50,000	
Treatment / Disposal Service Agreement	WGM/AE2S	\$20,000	
Preliminary Funding Package (economic feasibility)	WGM/AE2S	\$60,000	

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**BIG SKY COUNTY WATER AND
SEWER DISTRICT NO. 363:**

**GALLATIN COUNTY WATER AND
SEWER DISTRICT**

Name: Ron Edwards
Title: General Manager

Name: Scott Altman
Title: Board President

DRAFT

B. Annexation and Outreach



The Gallatin Canyon County Water and Sewer District (Canyon District) is reaching out to all property owners in the Proposed Sewer Service Area (see enclosed map) to increase awareness of the upcoming Canyon Sewer Project. Project engineering and permitting has commenced with the target of starting construction in 2026. Our near-term priority is to identify landowners interested in joining the Canyon District and answer questions about the annexation process. Below is a project overview and highlights of the two-step annexation process, which includes: 1) submitting a Petition to Annex and 2) future Service Agreement coordination.

About the Gallatin Canyon Sewer Project

The Canyon District, the Big Sky County Water and Sewer District (BSCWSD), and Big Sky Resort Area District (BSRAD) are working toward a centralized sewer system in the “Canyon Area” below Big Sky. The project addresses fundamental community needs and environmental sustainability including:

- Retiring septic systems that present notable human health risks and detrimental nutrient loading to the Gallatin River.
- Providing infrastructure to support workforce housing that is currently extremely lacking.
- Addressing current BSCWSD disposal limitations and operational risks associated with lack of disposal redundancy.
- Improving long-term sustainability by promoting water conservation through treated effluent reuse, groundwater recharge, and mitigating resource-intensive development sprawl.

The project includes construction of nearly five miles of sewer collection main along Highway 191 and throughout the Canyon Area corridor, approximately spanning from the Big Horn Center at the northern limit to Lone Peak High School and Ophir Elementary at the southern limit. Final project limits will be established based on interest of property owners to connect to the service and available funding.

Purpose of Annexation – Greater Environmental Benefit, Increased Access to Funding

Most of the parcels within the proposed service area are presently on individual septic systems, all of which are discharging to the same aquifer that feeds the Gallatin River and supplies water to potable wells in the area causing contamination concerns. Engineering studies completed on behalf of the Gallatin River Task Force and the Canyon District have identified properties neighboring the planned sewer collection corridor along Highway 191 that provide the best opportunity for removal of existing nutrient loads to the Gallatin River and pathogen risk to private wells.

Expanding the district results in greater benefit to Big Sky water resources. A broader district boundary also allows for more comprehensive long-term planning and increased likelihood of securing grants that will be used to offset connection fees for future users. Nearly \$15 million has been secured to date and the Canyon District is continuing to seek funds with the goal of substantially reducing or eliminating connection costs for those property owners with existing septic systems.

Step 1 – Petition to Annex

By submitting a Petition to Annex (enclosed draft), property owners are expressing interest in connecting to the proposed sewer service but are not obligated to connect. Annexation offers property owners the option to connect in the earliest phases of the project and avoid ‘late comer fees’ that are anticipated for future phase connections.

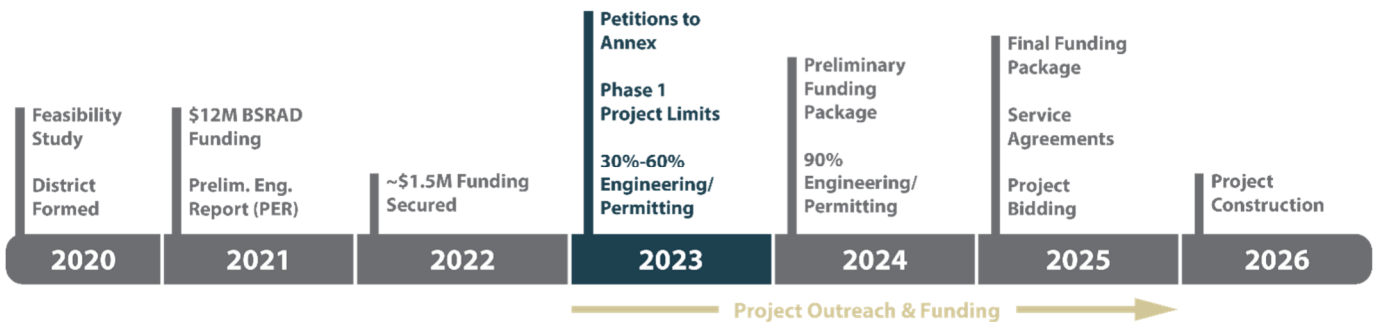
Montana Code Annotated (MCA) 7-13-2341 defines how the Canyon District can grow. Growth can be accomplished through annexation by a petition of contiguous property owners who would like to join or through a vote. The petition to annex provided in this packet would allow annexation of petitioning properties that are adjacent to the existing Canyon District through a simple Canyon District board vote. Petitioning properties that are not adjacent to the Canyon District would be added to a ballot for annexation through a vote of existing Canyon District members.

Step 2 – Service Agreement

Costs to users are still highly variable and are dependent on many factors including final design, bid price for construction, number of users, funding package, how costs are spread between existing and new development or between domestic and commercial users, and more. As costs become more defined over the coming year, the Canyon District will coordinate Service Agreements with individual parcel owners, HOA’s and private utility owners. Preliminary budgetary connection fees and user rates are currently being evaluated and estimates will be presented at the **April _____, 2023** Canyon District Board meeting.

Annexation, Service Agreement & Project Timeline

The Canyon District is encouraging all interested property owners to petition for annexation. Petitions to annex into the Canyon District can be made at any time; however, to be considered for inclusion in Phase 1, the Canyon District is requesting petitions be submitted by **September _____, 2023**. Our goal is to advance the Phase 1 project design and develop a preliminary funding package by 2024. Service Agreement coordination is anticipated in 2025.



FIND MORE INFORMATION:

www.gallatincanyonwsd.com

gallatincanyonwsd@gmail.com



CANYON STUDY AREA BOUNDARY

* BIG SKY WRRF

WEST FORK GALLATIN RIVER

LONE MTN TRAIL

SOUTH FORK WEST FORK GALLATIN RIVER

BIGHORN CENTER

CANYON STUDY AREA BOUNDARY

PROJECT BENEFITS

- 1 Protect Gallatin River
- 2 Protect drinking water
- 3 Facilitate higher density workforce housing while mitigating resource intensive urban sprawl

RECHARGE + REUSE

- "Purple Pipe" (aka non-potable re-use) network of **high quality effluent** from Big Sky's new Water Resource Recovery Facility (WRRF) *

WASTEWATER COLLECTION SYSTEM

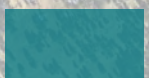
- Existing Canyon Study Area onsite wastewater systems contribute **approximately 5800 lbs of nitrogen** to the Gallatin River annually.
 - Central collection **reduces human health risks** and nutrient loading to the Gallatin River by retiring old septic systems.



PROPOSED LIFT STATIONS



PROPOSED SEWER SERVICE AREA



CURRENT GCWSD



AREAS BEING EVALUATED FOR GROUNDWATER DISCHARGE OF TREATED EFFLUENT

QUARRY PUD & WORKFORCE HOUSING

GALLATIN RIVER

LAZY J UTILITY ASSOCIATION

BUCK'S T-4

RAMSHORN SUBDIVISION

191

CANYON STUDY AREA BOUNDARY

OPHIR SCHOOL

**Before the Gallatin County Canyon
Water and Sewer District**

Petition for Annexation

Whereas, (insert name of landowner) (“Petitioner”) owns all that real property set out and described on Exhibit A hereto in Gallatin County, Montana; (the “Lands”);

Whereas, Petitioner wishes to incorporate the Lands within the boundaries of the Gallatin County Canyon Water and Sewer District (the “District”), and otherwise annex the Lands within the District;

Whereas, the District does not presently own or have access to wastewater treatment and/or disposal, or water diversion and distribution facilities for either the Lands or any property currently within its boundaries;

Whereas, the District continues to study and evaluate cost effective options for public wastewater and water supply systems;

Whereas, notwithstanding the current lack of water and wastewater facilities and service, Petitioner desires to incorporate the lands within the boundaries of the District;

(include where applicable) Whereas, Petitioner presently owns and uses a wastewater system and groundwater well on the Lands that are exercised to provide water and treatment in amounts that equal (insert) Equivalent Domestic Unit, as that term is used by the Department of Environmental Quality;

(include where applicable) Whereas, Petitioner does not intend to retire or otherwise eliminate the presently existing wastewater system and groundwater well used on the Lands solely as a result of annexing such lands within the District;

NOW THEREFORE, in accordance with the foregoing recitals, Petitioner requests that the District adopt a resolution annexing those lands set forth in Exhibit A hereto within the boundaries of the District.

Dated this _____ day of _____, 2023

Petitioner

By: _____

C. Joint Subcommittee Updates

D. WGM Updates

BSRAD Operations Budget Request
(\$300k)

BSRAD Capital Improvement Planning

ARPA Reimbursement Processed
(\$80,522.19)

Preliminary Connection Fees & User Rates
(AE2S Presentation)

Fiscal Year 2023 Budget

July 2022 - June 2023

Prepared by: WGM Group



Description: The Gallatin Canyon County Water and Sewer District (GCCWSD) has been granted \$348,000 (\$74k in FY22, \$200k in FY23, \$74k in FY24) of initial external funding from the Big Sky Area Resort Tax District (BSRAD) to help GCCWSD get established. These funds will fund the District's operating expenses from July 2021 through June 2024. During this time, the District will have no customers or regular income. Canyon Sewer Project expenses will be predominately funded through secured grants and BSRAD funds allocated to the project through the \$12M interlocal agreement with Big Sky County Water & Sewer District. The budget below outlines expenses for Fiscal year 2023.

#	Item	FY23 Budget	Description
Operating Income			
1	NONE	\$0	No customers, no services provided, no income
2	Total FY 2022 Operating Income	\$0	
Other Income			
3	BSRAD Seed Funding for GCCWSD	\$200,000	
4	ARPA Competitive Grant	\$2,000,000	Awarded, Phase 1.1 eligible
5	Gallatin County Minimum Allocation Grant	\$542,480	Awarded, Phase 1.1 eligible
6	Gallatin County Local Fiscal Recovery Funds	\$207,520	Awarded, Phase 1.1 eligible
7	Gallatin County Local Fiscal Recovery Funds	\$25,000	Awarded, Phase 1.1 eligible
8	Interlocal Agreement	\$0	BSRAD-BSCWSD \$12M agreemet (GCCWSD ARPA Match?)
9	Gallatin County Minimum Allocation Grant	\$0	Awarded, Phase 1.2 (\$200,000)
10	Montana Coal Endowment Program	\$0	Pending, Phase 1.2 (\$750,000)
11	Renewable Resource Grat & Loans Program	\$0	Pending, Phase 1.2 (\$125,000)
12	Total FY23 Funding Based Income	\$2,975,000	
Operating Expenses			
13	District Administration	\$20,000	County/State filings, 'general manager' role/responsibility
14	General Outreach and Education	\$20,000	Graphics, flyers, event attendance, presentations, etc.
15	Project Funding	\$20,000	Grant writing, Project Finance Structure Planning, etc.
16	General Accounting and Legal Services	\$10,000	As Needed
17	Total FY23 Operating Expenses	\$70,000	
Capital Improvement Expenses (grant eligible)			
18	Legal & Professional Services	\$37,500	Line items coorespond to ARPA budget table and Start-up documentation.
19	Audit Fees	\$12,500	
20	District Planning & Outreach (project specific)	\$50,000	Fund use prioritization: 1) State ARPA, 2) County ARPA, 3) Local funds (BSRAD)
21	Discharge Permitting	\$100,000	
22	Final Engineering Design	\$100,000	
23	Treatment Capacity Purchase / Disposal	\$0	
24	Contingency	\$100,000	
25	Miscellaneous (studies, engineering, etc.)	\$50,000	Connection Fee & User Rate Study, Water System PER
25	Total FY23 Capital Improvement Expenses	\$400,000	
Net Incomes			
26	Net Operating Income	(\$70,000)	
27	Cash Reserves	\$0	
28	Funding Reserves (Year End)	\$2,505,000	



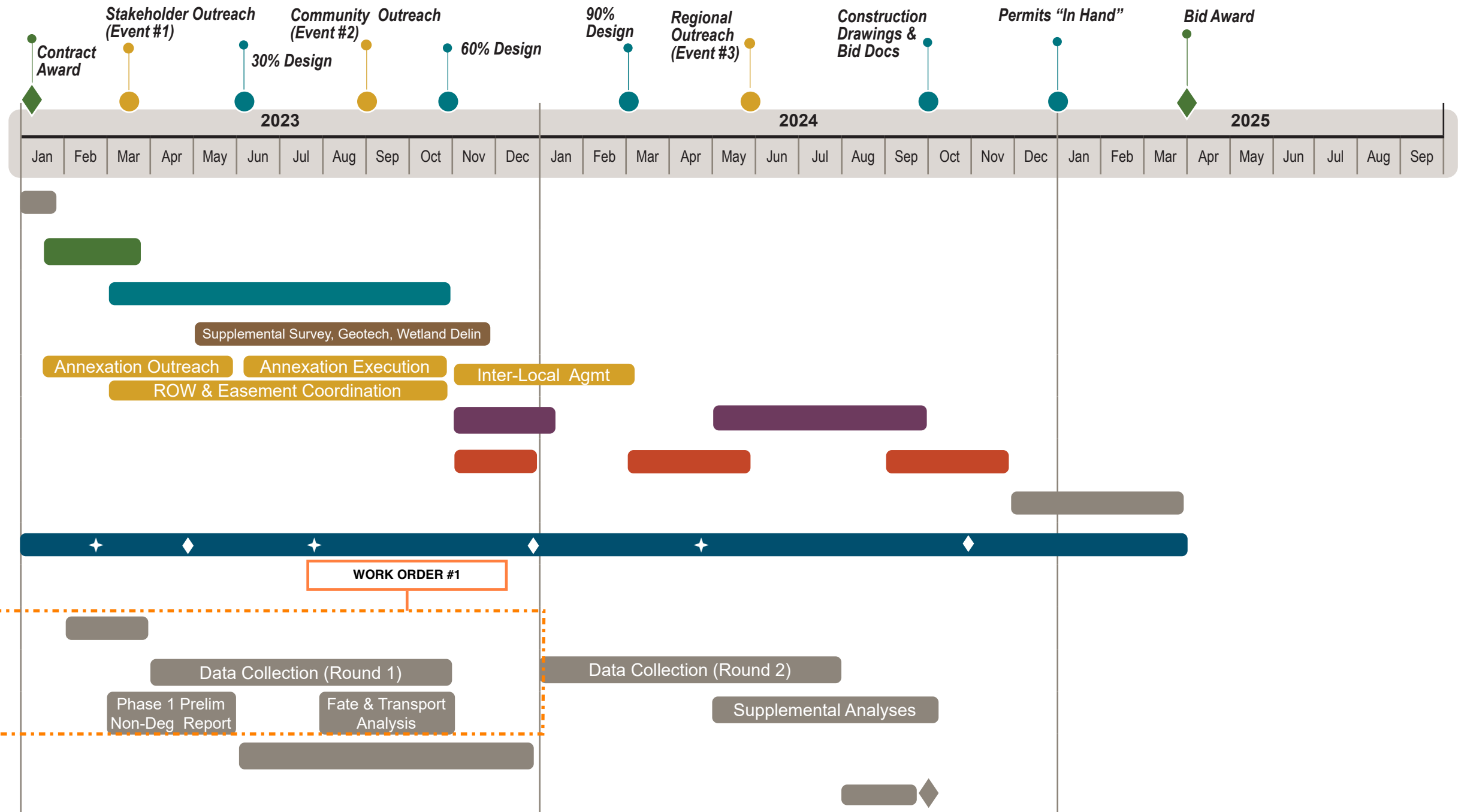
Gallatin Canyon Sewer

Connection Fees & Rates Update



E. WGM Scope & Budget

4 Timeline & Work Plan



- Scope & Contract**
- Scope Meeting
 - Goals & Objectives
 - Identify Stakeholders
 - Final Work Plan
 - Project Kick-Off Meeting

- Design Coordination**
- BSCWSD Design Team coordination
 - Supporting studies review, key findings compilation
 - Joint Subcommittee Coordination
 - Critical Success Factors identification
 - Preliminary Impact Fee & Rate Study review/coordination
 - Utility and R/W research

- Design Development**
- Preliminary Funding Package
 - ROW Occupancy Permit App
 - Preliminary MEPA/NEPA Documentation
 - Preliminary DEQ Non-degradation Report
 - Preliminary Discharge Design Report
 - 2023 Data Collection Report
 - MGWPCS Discharge Application

- Stakeholder Coordination**
- Canyon Area residents and business
 - Annexation & Outreach Committee coordination
 - Joint Subcommittee meetings
 - Gallatin River Task Force
 - Big Sky Housing Trust
 - BSRAD Board Updates
 - Outreach Events
 - Outreach materials
 - Media relations
 - Agencies (MDT, DEQ, Gallatin County, etc.)

- Final Design**
- 90% Design Package -Plans, Specifications, Design Reports
 - DEQ Engineering coordination
 - Contract Documents
 - Construction Drawings
 - Specs & Special Provisions
 - Construction Phasing
 - Traffic Control Plans
 - Final Cost Estimate
 - Final Funding Package
 - MGWPC Discharge Application
 - 2024 Data Collection Report
 - Source Specific Mixing Zone (SSMZ) Report
 - Final Discharge Design Report

- Bidding, Award & Notice to Proceed**
- Prepare Bid Documents
 - Advertisement
 - Pre-Bid Meeting
 - Bid Opening
 - Bid Tabulation
 - Award Recommendation
 - Bonds & Insurance
 - Construction Contracts





MASTER SERVICES AGREEMENT FOR PROFESSIONAL SERVICES

This Master Services Agreement ("Agreement") made this [] day of [], 20 [], by and between Gallatin Canyon County Water & Sewer District whose address is PO Box 161030, Big Sky, MT 59715 ("Client") and WGM Group, Inc., a Montana corporation, whose address is 1111 East Broadway, Missoula, Montana 59802 ("Consultant").

Recital

Client desires to obtain the services of an independent consultant to perform various professional consulting and other services as needs arise, and Consultant is desirous of providing such services.

Agreement

Now, therefore, in consideration of the mutual covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Scope of Services.** Client agrees to engage Consultant to provide consulting and other services. Consultant shall provide a scope of services and budget for each new task as a separate Work Order to supplement this Agreement. A fully executed Work Order shall be incorporated as an exhibit to this agreement and by this reference is made a part of this Agreement.

2. **Term.** Separate Work Orders will define the term for this Agreement.

3. **Payment; Method.** Client shall pay Consultant at the rates shown in the attached Exhibit A, which are subject to change annually. Consultant shall submit a detailed monthly invoice to Client. Client agrees to pay invoices in full within 30 days of the invoice date, or contact Consultant if services are not satisfactory. Interest at the rate of 0.833% per month (10% per annum) will be added to unpaid invoices after 30 days and Consultant may, without liability, terminate service. Payments will be credited first to interest and then to principal.

4. **Independent Consultant.** In the performance of any services described herein, the parties understand and agree that Consultant is an independent consultant and no relation of the employer and employee, or principal and agent, does or will be deemed to exist between Client and Consultant.

5. **Compliance with Laws.** Consultant warrants and covenants that it is in the business of providing the types of services described above and that it has obtained and currently holds all valid licenses or permits necessary for the conduct of its business. Consultant shall comply with all applicable federal, state, and local laws, rules, or regulations.

6. **Indemnity.**

A. Consultant and its officers and employees agree, to the fullest extent permitted by law, to indemnify and hold Client harmless from any damage, liability, or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by Consultant's negligent acts, errors, or omissions in the performance of professional services under this

Agreement and those of Consultant's sub-consultants or anyone for whom Consultant is legally liable.

B. Client and its officers and employees agree, to the fullest extent permitted by law, to indemnify and hold Consultant harmless from any damage, liability, or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by Client's negligent acts, errors, or omissions and those of his or her engineers or consultants or anyone for whom Client is legally liable and arising from the project that is the subject of this Agreement. Consultant is not obligated to indemnify Client in any manner whatsoever for Client's own negligence.

7. Insurance.

A. Consultant shall obtain and maintain during the term of this Agreement, at Consultant's expense, policies of liability and workers compensation insurance. Minimum coverage requirements shall be as follows:

(1) A policy of Professional Liability Insurance to include minimum limits of \$1,000,000 per claim and \$2,000,000 aggregate.

(2) A policy of Commercial General Liability Insurance to include minimum limits of \$1,000,000 combined single limit Bodily Injury and Property Damage each occurrence.

(3) Comprehensive Automobile Liability insurance covering owned, non-owned, hired and other vehicles, with a combined single limit of \$1,000,000 for bodily injury, death and property damage per occurrence.

(4) Employer's Liability Insurance, for employee bodily injuries and death, with a minimum limit of \$500,000 each occurrence. In the event Consultant has no employees, Consultant shall not be required to carry Employer's Liability Insurance.

(5) Worker's Compensation Insurance, with statutory limits as are required by the Workers' Compensation Law in the State in which the work is being performed hereunder.

B. Consultant shall be responsible for payment of all deductibles from insured claims under its policies. The coverage afforded under any insurance policy obtained by Consultant pursuant to this Paragraph shall be primary coverage regardless of whether Client has similar coverage. Consultant shall not self-insure any of the insurance coverage required by this Agreement without the prior written consent of Client. The minimum limits required by this Agreement may be satisfied by a combination of primary and excess or umbrella insurance policies.

8. Assignment. Consultant shall not assign or subcontract this Agreement or any part thereof, or enter any contract with any person, firm, or corporation for performance of Consultant's obligations hereunder, or any part of such obligations, without the prior written consent of Client, which consent shall not be unreasonably withheld.

9. Attorney's Fees. If either party hereto is required to retain an attorney to bring suit or seek arbitration to enforce any provision of this Agreement, the substantially prevailing party shall be entitled to reasonable attorneys' fees and costs. In the event of a non-adjudicative

settlement of litigation between the parties or a resolution of a dispute by arbitration, the parties' respective responsibilities for reasonable attorneys' fees and costs shall be determined by that process.

10. **Entire Agreement.** All understandings and agreements previously existing between the parties, if any, are merged into this Agreement, which alone fully and completely expresses their agreement, and the same is entered into after full investigation, neither party relying upon any statement or representation made by the other not embodied herein. This Agreement may be modified only by a written amendment executed by all parties.

11. **Authority.** Each party represents and warrants to the other that each has the full right, power and authority to execute this Agreement and perform their respective obligations under this Agreement.

12. **Default.** If either party defaults (that is, fails to perform the acts required of it) in its contractual performance herein, the non-defaulting party shall be entitled to exercise all rights and remedies available to it at law or equity, including but not limited to specific performance pursuant to the terms of this Agreement, damages, or rescission.

13. **Termination.** Either party may terminate this Agreement for just cause at any time by written notice to the other party of not less than thirty (30) days. Any such notice shall be good if deposited in the United States mail at those addresses stated below.

14. **Notices.** All notices required or permitted hereunder shall be in writing, and shall be: (1) delivered in person or by courier where evidence of delivery is obtained; (2) sent by certified mail, postage prepaid, with return receipt requested; or (3) sent by email to:

Client: PO Box 161030
Big Sky, MT 59715
Attn: Scott Altman
gallatincanyonwsd@gmail.com

Consultant: 1111 East Broadway
Missoula, Montana 59802
Attn: Mace Mangold, PE
mmangold@wgmgroup.com

Such notice shall be effective (1) if given by email, when sent; (2) if given by mail, the earlier of actual receipt or three days after mailing; and (3) if given by any other means, when delivered. Any party may change its address or email for notices.

15. **Invalidity.** In the event any portion of this Agreement should be held to be invalid by any court of competent jurisdiction, such holding shall not affect the remaining provisions hereof unless the court's ruling includes a determination that the principal purpose and intent of this Agreement are thereby defeated.

16. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed, shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

17. **Captions.** The captions and headings of the paragraphs of this Agreement are for convenience and reference only and are not to be used to interpret or define the provisions hereof.

18. **Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

19. **Waivers.** Any waiver by either party of any provision hereof must be in writing.

20. **Governing Law.** This Agreement shall be construed in accordance with the laws, statutes, and regulations of the State of Montana.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

Client: Gallatin Canyon County Water and Sewer District

By: _____

Name: _____

Title: _____

Consultant: WGM Group, Inc.

By: _____

Name: _____

Title: _____



MASTER SERVICES AGREEMENT WORK ORDER #1

PROJECT TITLE: Canyon Sewer Engineering
CLIENT: Gallatin County Canyon Water and Sewer District
WGM GROUP PROJECT NUMBER: 220724

As stated in the Master Services Agreement (Agreement) for the above-referenced client dated _____, the Agreement may be amended by written amendment executed by both parties as defined in Work Orders incorporated into the Agreement. This document details the scope and fee associated with Work Order #1. By both parties signing below, this document becomes incorporated into the Agreement as an Exhibit and is subject to the terms and conditions of said Agreement.

WORK ORDER SCOPE OF SERVICES:

DEQ Preparation and Submittal Review Schedule **\$41,000**

This phase includes agency coordination to identify process outlines for subsequent phases of the project, including a preliminary analysis that will be utilized to coordinate a sampling analysis plan (SAP) with Montana Department of Environmental Quality (DEQ) prior to initiating field data collection.

Kick-off and execution strategy: Present findings from desk-top due diligence, sub-surface characterization, and preliminary non-degradation analysis to DEQ. Meet with DEQ permit writers and appropriate department heads to determine preliminary mass load estimates expected for future surface water and groundwater discharge permits, verify feasibility of discharge strategy identified in the PER, and confirm data collection and groundwater modeling needs to obtain groundwater discharge permit.

Preliminary Non-Degradation Analysis & Human Health Report: Compile existing well log and water level data to identify data gaps and potential wells for subsequent water level monitoring. Existing well log data will be used to evaluate subsurface variability in vicinity of the recharge sites and downgradient mixing zones. Present hydrogeologic conditions relevant to obtaining DEQ discharge permit approvals. Perform preliminary non-degradation analysis to inform discharge estimates and disposal site prioritization. Evaluate existing condition and proposed condition human health risks and associated permitting/planning variables. Compile findings in report format to facilitate DEQ coordination and development of the SAP.

Data and Engineering QA/QC: Prepare preliminary data collection and engineering quality assurance and quality control (QA/QC) to coordinate with DEQ staff in preparation for subsequent data collection and engineering project phases.

Deliverables: Preliminary Non-Degradation Analysis & Human Health Report, Preliminary Data and Engineering QA/QC Technical Memorandum, updated Discharge Permit Submittals / DEQ Review Schedule

Discharge Permitting Data Collection

\$189,000

This phase includes the planning and execution of fieldwork efforts for permitting data collection, with a breakdown into following tasks:

Sampling Analysis Plan (SAP): Formalize the specifics of the data collection efforts, identify and confirm locations and number of proposed piezometers and monitoring wells, and provide comprehensive sampling analyte lists to meet DEQ permit requirements and facilitate modeling efforts. Initiate landowner coordination to present planned data collection activities and confirm necessary infrastructure (e.g. piezometers, monitoring wells) and sampling activities (e.g. test pitting, sampling existing wells) are permissible. Submit SAP to DEQ for review and comment.

Groundwater & Surface Water Fieldwork and Data Collection: Water level data will be collected to develop localized potentiometric gradients and seasonal variability in vicinity of the recharge site and downgradient receiving waters. Surface water flow measurements will also be collected along select reaches of the Gallatin River. This data will also be used to support the calibration of the groundwater model used for fate-transport analyses. A broad data set will aid in addressing DEQ concerns regarding accurate subsurface characterization by allowing tighter model calibration to aid DEQ concerns of subsurface heterogeneity, which is expected to reduce the amount of borehole drilling required.

Groundwater Monitoring Network: Piezometers will be installed in locations where additional water level data is needed. Water quality data will also be collected to determine background nutrient concentrations as needed to support non-degradation analyses. The budget estimate assumes the following:

- Installation of shallow piezometers (installed via hand methods), monitoring wells, and staff gauges as necessary to facilitate surface water flow measurement along the Gallatin River.
- Continuous water level data collected at wells or piezometers for a duration of 12-months. Assumes continuous data from GLWQD and MBMG well monitoring is available and expected to continue.
- Manual water level measurements collected at wells or piezometers and surface water staff gages for a duration of 12-months. Budget assumes monthly measurements but potential for reduced frequency exists.
- Water samples (locations and number of samples to be determined) collected at quarterly intervals with a minimum of 4 samples to meet DEQ permitting requirements. Water sample collection methods, sample preservation, and analytical methods shall be in accordance with ARM 17.30.1007.

Well Survey and Flow Measurements: All wells and piezometers to be used for water level measurements are required to be surveyed to the nearest 0.01 foot. Topographic elevations will also be collected at key features including thalweg elevations along the Gallatin River to determine potential for groundwater intercept. Survey will include cross-sections at surface water monitoring locations to support hydraulic analysis. Flow measurements will be conducted at the time of survey to support stage-discharge calculations.

Subsurface Characterization: Supplemental subsurface characterization will be conducted to reduce data gaps in vicinity of the recharge sites and the down-gradient mixing zones. Characterization will be conducted using a drill rig to collect cuttings and/or core samples to a TBD depth. The extent and frequency of drilling is unknown at this time (pending DEQ coordination). Drilling locations that are sited where groundwater level data is needed will be completed with a monitoring well or piezometer depending on data collection objectives.

Note that long-term monitoring wells are anticipated to be needed as DEQ compliance points. New wells are anticipated to be sited and constructed in accordance with DEQ requirements to serve long-term monitoring needs.



Aquifer pump tests: Pump tests will be performed to provide representative aquifer parameters in proximity to the recharge area(s). WGM will oversee pump tests and collect aquifer response data to support hydraulic analyses. Assumes an eight-hour step rate drawdown tests are conducted first to determine a sustainable flow rate for the subsequent 24-hour constant rate pump tests. WGM will log data on DEQ’s Aquifer Test Data Form 633 and provide to DEQ. Budget includes pump test data analysis to determine aquifer parameters necessary to support non-degradation analyses.

Discharge Permit Application and Data Summary Report (DSR): Submit a complete Montana Ground Water Pollution Control System (MGWPCS) application package. Required application information and supporting data will be compiled upon the completion of summer 2023 fieldwork and data collection. The intent of this deliverable is to formally initiate DEQ’s discharge permit review process. Supplemental data and/or analysis is anticipated to be required to support DEQ reviewers and permit writers (future scope / Work Order).

Deliverables: SAP, DSR and complete MGWPCS submittal package.

Exclusions: Budget does not include driller and laboratory costs (pending completion of SAP and coordination subcontractors). Hydrogeologic modeling and analyses are not included (separate Work Order).

WGM Group, Inc. Acceptance of Work Order:

Mace Mangold

Senior Project Engineer

(sign)

(date)

Client Authorization to Proceed with Work Order:

Printed Name

Company Name

(sign)

(date)

E. ARPA Reimbursement and Budget

ARPA Letter of Relief

ARPA Budget Updates



March 29, 2023

Shawna Swanz, ARPA Grant Specialist

Montana Department of Natural Resources & Conservation

Via: EMAIL

Re: Gallatin Canyon Water & Sewer District Relief Request for grants AC-22-0021 and AM-22-0082

Dear Shawna,

We are seeking relief from ARPA grant AC-22-0021 and AM-22-0082 in Section 7, which states that the Subrecipient agrees to submit documentation of grant expenses it has incurred to receive reimbursement from DNRC.

We are eager to provide payment for grant-related expenses but are unable to pay the invoices/expenses related to the project for the most recent draw request. The Gallatin Canyon County Water & Sewer District (GCCWSD) does not have reserves for expenditures as large as those that are required. BRSAD, the local contribution funder, operates through reimbursement only and the GCCWSD is ineligible for InterCAP loans at this point. A draw request with invoices accompanies this letter to indicate which invoices are associated with this draw. Those expenses shown without warrant numbers have not been paid to date.

We understand and will comply with the requirement to pay the invoices within 7 days of receipt of the funds from DNRC and will provide documentation of that payment within 10 days of receipt of funds from DNRC.

Thank you for your consideration of the prompt release of funds.

Sincerely,
Gallatin Canyon County Water & Sewer District

Scott Altman
GCCWSD President

cc:

W:\Projects\200323\00 Project Management\10_Grant Admin\Sewer Funding - GCCWSD\0_Awarded Funds Docs\ARPA Grant Admin\Draw Requests\Letter_Of_Relief_Request.docx



INVOICE

PLEASE REMIT TO:
 1111 East Broadway, Missoula, MT 59802
 Phone: 406-728-4611

GALLATIN CANYON COUNTY WATER & SEWER
 DISTRICT
 gallatincanyonwsd@gmail.com

June 14, 2022
 Project No: 200323.2
 Invoice No: 66051

Project 200323.2 CANYON DISTRICT ADMIN & ENGINEERING

Email invoices to gallatincanyonwsd@gmail.com

Invoice Notes: Preparation and submittal of MCEP and RRGL grant applications. Leading three board meetings required for grant-related public outreach, Environmental Assessment (EA) adoption, and Preliminary Engineering Report (PER) adoption. General district administration services (record keeping, forms coordination, meeting minutes, etc.) and website updates. ARPA start-up and grant administration services for secured funds.

Professional Services from May 1, 2022 to May 31, 2022

Phase 01 District & Grant Administration

Professional Personnel

	Hours	Rate	Amount	
Senior Project Engineer	2.00	158.00	316.00	
Staff Engineer / EI / CET	62.70	121.00	7,586.70	
Project Coordinator 2	.20	115.00	23.00	
Totals	64.90		7,925.70	
Total Labor				7,925.70
		Total this Phase		\$7,925.70

Phase 03 Grant Writing & Public Outreach

Professional Personnel

	Hours	Rate	Amount	
Senior Project Engineer	33.50	158.00	5,293.00	
Staff Engineer / EI / CET	42.10	121.00	5,094.10	
Project Assistant 2	11.60	100.00	1,160.00	
Administrative Assistant	6.70	78.00	522.60	
Totals	93.90		12,069.70	
Total Labor				12,069.70

Reimbursable Expenses

MT DEPT OF NATURAL RESOURCES (DNRC)	250.00		
Total Reimbursables		250.00	250.00

Unit Billing

Mileage		49.28	
Total Units		49.28	49.28

Total this Phase \$12,368.98

Total this Invoice \$20,294.68

Outstanding Invoices

Number	Date	Balance
65624	5/10/2022	17,874.07
Total		17,874.07

Total Now Due **\$38,168.75**

Project Manager Mace Mangold



INVOICE

PLEASE REMIT TO:
 1111 East Broadway, Missoula, MT 59802
 Phone: 406-728-4611

GALLATIN CANYON COUNTY WATER & SEWER
 DISTRICT
 gallatincanyonwsd@gmail.com

May 10, 2022
 Project No: 200323.2
 Invoice No: 65624

Project 200323.2 CANYON DISTRICT ADMIN & ENGINEERING

Email invoices to gallatincanyonwsd@gmail.com

Invoice Notes: Board administration and public outreach including agenda postings, presentation at joint County commission meeting, website updates, and budget coordination. Preparation of County ARPA application package and submittal. Preparation and posting of Environmental Assessment for MCEP grant application. Compile MCEP and RRGL application packages for May submittals.

Professional Services from April 1, 2022 to April 30, 2022

Phase 03 Grant Writing & Public Outreach

Professional Personnel

	Hours	Rate	Amount	
Senior Project Engineer	26.00	158.00	4,108.00	
Staff Engineer / EI / CET	97.10	121.00	11,749.10	
Project Coordinator 2	1.60	115.00	184.00	
Project Assistant 2	8.60	100.00	860.00	
Totals	133.30		16,901.10	
Total Labor				16,901.10

Reimbursable Expenses

Supplies			21.47	
Total Reimbursables			21.47	21.47

Unit Billing

Technology Fee-Arc GIS			16.00	
Copies (Color) 11" x 17"			115.50	
Copies (Color) Letter/Legal			820.00	
Total Units			951.50	951.50

Total this Phase \$17,874.07

Total this Invoice \$17,874.07

Project Manager Mace Mangold



PLEASE REMIT TO:
1111 East Broadway, Missoula, MT 59802
Phone: 406-728-4611

GALLATIN CANYON COUNTY WATER & SEWER
DISTRICT
PO BOX 16095
BIG SKY, MT

September 15, 2022
Project No: 200323.2
Invoice No: 66938

Project 200323.2 CANYON DISTRICT ADMIN & ENGINEERING

Email invoices to gallatincanyonwsd@gmail.com

Invoice Notes: Finalize expanded discharge study.

Professional Services from August 1, 2022 to August 31, 2022

Phase 02 Expanded GW Discharge Study

Professional Personnel

	Hours	Rate	Amount	
Senior Project Engineer	1.00	158.00	158.00	
Staff Engineer / EI / CET	34.70	121.00	4,198.70	
Totals	35.70		4,356.70	
Total Labor				4,356.70

Unit Billing

Technology Fee-Arc GIS			33.60	
Total Units			33.60	33.60

Total this Phase \$4,390.30

Total this Invoice \$4,390.30

Outstanding Invoices

Number	Date	Balance
65624	5/10/2022	17,874.07
66051	6/14/2022	20,294.68
Total		38,168.75

Total Now Due \$42,559.05

Project Manager Mace Mangold

\$29,450 Reimbursement (SOW#2)

Proposed ARPA Reimbursements & Budget Table Adjustments

UPDATES HIGHLIGHTED
(pending review of past invoices)

Gallatin Canyon Sewer Project
RRGL Application

Phase 1.1 - Planning (Fully Funded)					
ADMINISTRATION and FINANCE COSTS:	SOURCE:	SOURCE:	SOURCE:	SOURCE:	
	ARPA - Competetive Grant	ARPA -Gallatin County Minimum Allocation Grant (round 1)	ARPA - Gallatin County Local Fiscal Recovery Funds	Local Contribution (GCCWSD BSRAD)	Local Contribution (BSCWSD BSRAD)
Professional & Legal Costs	\$ 60,000.00	\$ 15,000.00		\$ 100,000.00	
Audit Fees	\$ 20,000.00	\$ 5,000.00			
TOTAL ADMINISTRATIVE/FINANCIAL COSTS	\$ 80,000.00	\$ 20,000.00	\$ -	\$ 100,000.00	\$ -
ACTIVITY COSTS:					
Feasibility Study				\$ 175,000.00	\$ -
District Planning & Outreach	\$ 100,000.00			\$ 125,000.00	
Preliminary Engineering & Design					\$ 50,000.00
Discharge Permitting	\$ 350,000.00			\$ 200,000.00	
Final Engineering Design	\$ 800,000.00	\$ 342,480.00	\$ 207,520.00		\$ 1,450,000.00
Construction					
Treatment Capacity Purchase/Agreement	\$ 570,000.00	\$ 130,000.00		\$ 500,000.00	
Contingency	\$ 100,000.00	\$ 50,000.00			\$ 150,000.00
TOTAL ACTIVITY COSTS	\$ 1,920,000.00	\$ 522,480.00	\$ 207,520.00	\$ 1,000,000.00	\$ 1,650,000.00
TOTAL PROJECT COSTS	\$ 2,000,000.00	\$ 542,480.00	\$ 207,520.00	\$ 1,100,000.00	\$ 1,650,000.00
	\$ 2,000,000.00	\$ 542,480.00	\$ 207,520.00		\$ 2,750,000.00

\$29,109 Reimbursement (SOW#1)

\$29,909.10 Reimbursement (BSCWSD Scope)

25% local government match

preliminary engineering can count as grant

match must be within 24 months of grant application date

analysis of financial needs focuses on a community's projected water and sewer rates measured against the median household income

Projected water and sewer rates anre compared to "taget rates" based on mediamn household income

must submit a finding strategy that will assure that projected user charges would at a minimum meet the target rate for the community for a public facility

- 1) GCCWSD Operations Agreement (3%)
- 2) GCCWSD-BSCWSD Joint Request (3%)
- 3) BSCWSD Interlocal Agreement (1%)

\$ -	\$ -	\$ -	\$ (1,100,000.00)
340000			
\$ (1,660,000.00)			

G. ARPA Quarterly Report

H. Gallatin County ARPA Grant

Sewer Contract

**SUBRECIPIENT AND PASS-THROUGH AGREEMENT BETWEEN GALLATIN
COUNTY AND GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT
REGARDING USE OF AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) FUNDS
FOR GALLATIN CANYON SEWER PROJECT- PHASE 1.1
ASSISTANCE LISTING (CFDA) #21.027**

This Subrecipient and Pass-Through Agreement (“Agreement”) is entered between **Gallatin County, Montana**, with its principal offices located at 311 West Main Street, Room 306, Bozeman, Montana 59715 (“County”) and Gallatin Canyon County Water and Sewer District (“GCCWSD”), located at PO Box 160095, Big Sky, Montana, 59716, collectively referred to herein as the “Parties”.

WHEREAS, on March 11, 2021, the American Rescue Plan Act (“ARPA”) was signed into law and established the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Funds, which comprise the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program;

WHEREAS, the SLFRF program is intended to provide support to state, territorial, local, and tribal governments in responding to the economic and public health impacts of COVID-19 and state and local governments’ efforts to contain impacts on their communities, residents, and businesses;

WHEREAS, one of the four statutory eligible uses of a SLFRF award is to make necessary investments in water, sewer, or broadband infrastructure;

WHEREAS, the State of Montana received an SLFRF award, and the 67th State Legislature adopted House Bill 632 to provide for the appropriations and allocations of such funds for state and local water and sewer infrastructure grants, referred to as “Minimum Allocation Grants”;

WHEREAS, the County is the direct recipient of a SLFRF award from the federal government and the pass-through subrecipient of a Minimum Allocation Grant from the State and, consequently, the County is responsible for administering the funds according to federal ARPA directives and House Bill 632;

WHEREAS, GCCWSD has applied to the County for a subaward and pass-through subaward Gallatin Canyon Sewer Project- Phase 1.1 as further described below (the “Project”), which will assist the County by planning the construction of a centralized sewer system for the current GCCWSD, with sufficient capacity to allow for efficient system extension to accommodate expected expansion of the District. The project will also plan to consolidate wastewater treatment to a single entity (BSCWSD) resulting in numerous efficiencies associated with a single water resource reclamation facility for treatment such as, but not limited to administration, operations, reduced treatment infrastructure, and consolidated energy use. Actual construction of the Gallatin Canyon Sewer will be completed in Phase 1.2.

County ARPA funds will be used for Legal & Professional Services, Audit fees, Discharge Permitting, Final Engineering Design, Treatment Capacity Purchase/Agreement, and contingency.

Phase 1.1 activities include:

- Project startup
- Environmental permitting
- Design
- Impact fee and rate study
- Total funding package development
- Contractor procurement
- Residual funds to secure initial treatment capacity from the BSCWSD

WHEREAS, this Agreement will enable the Parties to cooperatively implement and distribute the County’s SLFRF funding through the subaward and to pass-through the Minimum Allocation Grant subaward to GCCWSD;

WHEREAS, the County, as the direct federal grantee of appropriated funds by the U.S. Department of Treasury (“Treasury”), and as a subrecipient of appropriated funds by the Montana Legislature, has determined that the subaward and pass-through subaward to GCCWSD for the Project is in the best interest of the County and its recovery from the pandemic; and

WHEREAS, through this Agreement, the Parties have certified their compliance with applicable federal and state laws and regulations, as required by the Treasury and the State of Montana.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, the Parties agree as follows:

1. EFFECTIVE DATE AND TERM. This Agreement is effective from the date of execution and shall remain in effect until no later than September 30th, 2026, by which date the payment of all expenses must be final. The Parties expressly intend that any verified and appropriate monies offered under this Agreement and expended by GCCWSD for the Project prior to the execution of this Agreement are to be compensated under the terms of this Agreement.

DESCRIPTION OF PROJECT- SCOPE OF WORK. The Project complies with restrictions set forth in House Bill 632, 67th Leg., and the use of SLFRF awarded funds in that it is for the purpose of making necessary investments in water and sewer infrastructure. A complete description of Phase 1 of the Project, including detailed budget information and a schedule of work is included in Agreement #AM-22-0082, between Montana DNRC and Gallatin County. Section 4 (“Project Scope”), Attachment A (“Scope of Work”), Section 5 (“Project Budget”), and Attachment B (“Budget”) thereof are incorporated herein by reference.

Subrecipient shall cause the plans and specifications for the Project to be prepared by a registered professional engineer licensed to practice in his or her areas of competence in the State of Montana.

Subrecipient also shall submit or cause to be submitted the plans and specifications to the Montana Department of Environmental Quality (DEQ) for review and approval prior to construction. Subrecipient agrees that all construction will be in strict accordance with DEQ approved plans and specifications.

A final Montana Environmental Policy Act (MEPA) (§ 75-1-101 et seq., MCA; 36.2.503 ARM) decision notice must be approved by the Montana Department of Natural Resources and Conservation (DNRC) before going to bid or proceeding with activities that have environmental impacts. Reimbursement will be declined for activities not approved under the MEPA decision notice. It is GCCWSD's responsibility to comply with MEPA and to provide all required information requested by DNRC and the County related to any required MEPA decision.

The Project is committed to the defined project outcomes, defined actions to achieve those outcomes, and defined measurements of the effectiveness of those outcomes, as set forth above and as required by House Bill 632, Section 27.

Any transfer of funds between budget categories as identified herein requires written notification and approval by the County and the DNRC liaison.

2. SLFRF SUBAWARD; MINIMUM ALLOCATION GRANT PASS-THROUGH SUBAWARD. For Phase 1 of the Project, the County agrees to pass-through the State Minimum Allocation Grant funding in the amount of \$542,480.00 to GCCWSD to complete the Project. The County also agrees to subaward \$207,520.00 to GCCWSD of direct SLFRF funding received by the County as matching funds. The cumulative award under this agreement is \$750,000.00. The SLFRF Subaward and Minimum Allocation Grant Pass-Through Subaward are hereafter collectively referred to as the "Subawards".

3. USE OF FUNDS. GCCWSD may use the Subawards to fund eligible costs obligated beginning March 3, 2021 and up to **December 31, 2024**; provided, however, that all such costs must be paid by no later than December 31, 2026. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from the subaward.

GCCWSD may use the SLFRF Subaward to cover direct costs only. GCCWSD may use the Minimum Allocation Grant Pass-Through Subaward to cover direct administrative costs, but not indirect administrative costs. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for the Project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the subaward, such as the cost of facilities or administrative functions like a director's office.

GCCWSD shall use the Subawards in compliance with the SLFRF Award Terms and Conditions (**attached hereto** and incorporated herein by reference), the Treasury's Final Rule, House Bill 632, the terms and conditions of Grant Agreement #AM-22-0082 between the DNRC and the County,

and all other applicable state and federal laws and regulations, now in effect or that hereafter become effective. In addition, GCCWSD shall provide to the County proper documentation supporting determinations of costs and applicable compliance requirements and identifying how the requirements have been satisfied, as well as all other documentation necessary for the County’s completion of quarterly and annual Project and Expenditure reports, including but not limited to subaward reporting.

GCCWSD understands and agrees that the funds disbursed under this Agreement may be used only in compliance with Section 603(c) of the Social Security Act, the Treasury’s regulations implementing that section, and the guidance issued by the Treasury regarding the foregoing. GCCWSD shall determine, prior to engaging in any project using this assistance, that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project. The GCCWSD agrees that the funds shall be used only in accordance with and in furtherance of the Project.

The Subawards may be subject to recoupment as required by applicable laws or if any of the expenses incurred through this Agreement are found to be ineligible.

4. QUARTERLY INVOICE AND PROGRAM REPORTS. GCCWSD agrees to comply with all reporting obligations established by the Treasury or the State of Montana, or required by the County, as they relate to the Subawards. GCCWSD agrees to provide to the County detailed quarterly invoices and proof of payment of all expenditures in statements accurately reflecting the costs, payments, and status of the Project, including but not limited to bills submitted to GCCWSD for payment relating to the Project, receipts or ledger with check/voucher number and date showing GCCWSD has paid the bills, and the estimated final costs of completing the Project. Templates for quarterly invoicing and quarterly program reports are incorporated herein as Exhibits A and B and shall be submitted by GCCWSD on the following schedule:

Report	Year	Quarter	Period Covered	Due Date
6	2023	1	Jan 1 – Mar 31	Apr 15 th , 2023
7	2023	2	Apr 1 – Jun 30	Jul 15 th , 2023
8	2023	3	Jul 1 – Sep 30	Oct 15 th , 2023
9	2023	4	Oct 1 – Dec 31	Jan 15 th , 2024
10	2024	1	Jan 1 – Mar 31	Apr 15 th , 2024
11	2024	2	Apr 1 – Jun 30	Jul 15 th , 2024
12	2024	3	Jul 1 – Sep 30	Oct 15 th , 2024
13	2024	4	Oct 1 – Dec 31	Jan 15 th , 2025
14	2025	Final	Oct 1, 2021 – Dec 31, 2024	March 1 st , 2025

5. PAYMENTS. Upon receipt of GCCWSD’s quarterly invoice and quarterly program report, the County will issue a reimbursement for the documented expenditures or will deny the requested reimbursement, in whole or in part, with a written statement detailing items not approved for reimbursement and the reason(s) for disapproval. The County may disapprove a requested reimbursement or a portion thereof based upon GCCWSD’s failure to comply with any material provision of this Agreement, including strict compliance with all reporting obligations.

6. MAINTENANCE OF AND ACCESS TO RECORDS. GCCWSD shall maintain records and financial documents sufficient to evidence compliance with Section 603(c) of the Social Security Act, the Treasury’s regulations implementing that section, and guidance issued by the Treasury regarding the foregoing. The Treasury Office of Inspector General, the Government Accountability Office, the DNRC, the Montana legislative auditor, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of GCCWSD in order to conduct audits or other investigations. Records including but not limited to all invoices, bills, and other relevant documentation of SLFRF expenditures shall be maintained by GCCWSD for a period of five (5) years after all funds related to the Project have been expended or returned to the County, whichever is later. GCCWSD shall cause proper and adequate books of records and accounting to be kept showing complete and correct entries of all receipts, disbursements, and other transactions relating to the Project. GCCWSD agrees that the County and its agents may, at any reasonable time, inspect or audit all records that GCCWSD maintains pertaining to the Project to verify compliance with this Agreement. In addition, the County may require with reasonable cause and notice the GCCWSD to submit to an audit by a Certified Public Accountant or other person acceptable to the County, paid for by the GCCWSD. The County may terminate this Agreement upon any refusal of GCCWSD to allow access to records necessary for the County, its agent, or any auditor to conduct any audit or inspection.

GCCWSD further agrees that, if it is receiving \$750,000 or more in federal funds within a fiscal year, it shall maintain complete, accurate, documented, and current accounting of all program funds received and expended in accordance with OMB Uniform Guidance rules and shall file and provide the County with a copy of a “Uniform Guidance Audit” (formally called a single audit or federal audit) in accordance with the OMB Uniform Guidance rules.

GCCWSD shall maintain for the purposes of this Agreement an accounting system of procedures and practices that conforms to Generally Accepted Accounting Principles (GAAP). As defined by 2 CFR § 200.49, GAAP “has the meaning specified in accounting standards issued by the Government Accounting Standards Board and the Financial Accounting Standards Board.”

7. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS. GCCWSD shall conform with all applicable state and federal laws, regulations and statues including but not limited to those set forth in SLFRF, the American Rescue Plan Act of 2021, PUB L. No 117-2, the Compliance and Reporting Guidance SLFRF Version 3.0 (February 28, 2022), and as such Guidance may be amended, the Treasury’s Final Rule, 31 CFR Part 35, House Bill 632, and the Montana Infrastructure Advisory Commission Application Guidelines. In addition, the Parties shall conform with the requirements set forth in the Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards.

Further, GCCWSD agrees to comply with the requirements of Section 603 of the Social Security Act, regulations adopted by the Treasury pursuant to section 603(f) of the Act, and guidance issued by the Treasury regarding the foregoing. GCCWSD also agrees to comply with all other applicable

federal and state statutes, regulations, and executive orders, and GCCWSD shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.

Federal regulations applicable to this award include, without limitation, the following:

- A. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by the Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award;
- B. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference;
- C. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference;
- D. OMB Guidelines to Agencies on Government wide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury’s implementing regulation at 31 C.F.R. Part 19;
- E. Sub-recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference;
- F. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
- G. New Restrictions on Lobbying, 31 C.F.R. Part 21;
- H. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations; and
- I. Generally applicable federal environmental laws and regulations.

Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:

- A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury’s implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
- B. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
- C. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
- D. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury’s implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance;

- E. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto; and
- F. The Montana Governmental Code of Fair Practices (Title 49, Chapter 3, Montana Code Annotated), which prohibits discrimination in the performance of this Agreement against any person on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability or national origin. Further, pursuant to § 49-3-207, MCA, all hiring for the purposes of this Agreement must be on the basis of merit and qualifications only.

As a condition of receiving the Subawards, GCCWSD agrees to abide by the assurances stated in the “Assurances of Compliance with Civil Rights Requirements” attached hereto and incorporated herein by this reference. Further, GCCWSD shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Treasury’s Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with “Limited English Proficiency” in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Department of the Treasury’s Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or Agreement.

GCCWSD also agrees to adhere to Montana statutes and regulations applicable to counties, such as, but not limited to, public procurement and solicitation requirements, environmental laws, safety laws, and labor laws. These laws include, without limitation:

- A. Montana Labor Preference (§ 18-2-403, MCA) for work defined as “public works” per § 18-2-401, MCA;
- B. Prevailing Wage Rates (§ 18-2-403, MCA, et seq.);
- C. Montana Safety Culture Act (Title 39, Chapter 71, Part 15, MCA);
- D. Professional Licensure requirements (Title 37, MCA);
- E. Registration and Withholding (Title 39, Chapter 9 and Title 15, Chapter 50, MCA)
- F. Subcontractor Payments (Title 18, Chapter 2, Part 21, MCA);
- G. Occupational Health and Safety (Title 50, Chapter 71, MCA);
- H. Montana Worker’s Compensation Act (Title 39, Chapter 71, MCA);
- I. Public Contracting and Procurement (Title 18, MCA); and
- J. Montana Environmental Protection Act (Title 75, MCA; 36.2.503, ARM).

It shall be GCCWSD’s responsibility to obtain all permits, licenses, and authorizations required from government authorities prior to initiation of the Project or required to be obtained by the time of completion of the Project to be eligible for reimbursement under this Agreement. Permits or authorizations may include, but are not limited to: Beneficial Water Use Permits (§ 85-2-302(1), MCA); Chance in Appropriation Right Authorization (§ 85-2-402(1)(a), MCA), and other requirements under the Montana Water Use Act that may apply; Sage Grouse Habitat (Executive

Order 21-2015), 310 permitting requirements, or other permits or authorizations that may be required by state, local, or federal agencies prior to beginning work on the Project or prior to completion of the Project.

Procurement of labor, services, supplies, materials, and equipment shall be conducted according to applicable federal, state, and local law and regulation. The County and DNRC may review any procurement solicitations that GCCWSD issues. Neither the County's nor DNRC's review or comments constitute an approval of the solicitation. GCCWSD remains bound by all applicable laws, regulations, and terms and conditions of the Agreement.

GCCWSD shall require its contractors and subcontractors to comply with all terms and conditions of this Agreement, as well as all applicable federal, state, and local laws and regulations.

8. PROJECT FUNDING RECIPIENT RESPONSIBILITIES: GCCWSD has the primary responsibility for directing, supervising, monitoring, and coordinating the performance of all Project activities carried out under the terms of this Agreement. GCCWSD has not been hired by the County to perform any work for or on behalf of the County. GCCWSD shall remain responsible for all work performed and for the completion of the Project. In performing the Project, GCCWSD is not an agent, employee, or independent contractor of the County. The agents, employees, and independent contractors associated with or hired by GCCWSD relating to the Project are not agents, employees, or independent contractors of the County. This Agreement does not create a partnership, joint venture, joint enterprise or joint undertaking of any sort between GCCWSD, its agents, employees, or independent contractors, and the County for the Project or otherwise.

9. CONFLICTS OF INTEREST: GCCWSD understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under the Subawards. GCCWSD must disclose in writing to the County and the Treasury any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

10. REMEDIAL ACTIONS: In the event of the GCCWSD's noncompliance with Section 603 of the Social Security Act, other applicable laws or regulations, the Treasury's or State of Montana's implementing regulations or guidance, House Bill 632, or any reporting or other program requirements, the County may impose additional conditions on the receipt of a subsequent tranche of subaward funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of Section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.

11. HATCHACT: GCCWSD agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

12. FALSE STATEMENTS: GCCWSD understands that making false statements or claims in connection with the Subawards is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and any other remedy available by law.

13. PUBLICATIONS: Any publications produced with funds from the Subawards must display the following language: “This project [is being] [was] supported, in whole or in part, by federal award number SLRFP0471 awarded to Gallatin County and by federal award number SLRFP1747 awarded to State of Montana by the U.S. Department of the Treasury.”

14. DEBTS OWED: Any funds paid to GCCWSD: (1) in excess of the amount to which GCCWSD is finally determined to be authorized to retain under the terms of this Agreement; (2) that are determined by the Treasury Office of Inspector General, the State of Montana, or the County to have been misused; or (3) that are determined by the Treasury, the State of Montana, or the County to be subject to a repayment obligation pursuant to Section 603(e) of the Social Security Act or other applicable law and have not been repaid by the GCCWSD shall constitute a debt to the County. Any debts determined to be owed must be paid promptly to the County by GCCWSD. A debt is delinquent if it has not been paid by the date specified in the Treasury’s, State’s, or County’s initial written demand for payment, unless other satisfactory arrangements have been made or if GCCWSD knowingly or improperly retains funds that are a debt as defined in the first sentence of this paragraph. County will take any actions available to it to collect such a debt.

15. DISCLAIMER: The County expressly disclaims any and all responsibility or liability to GCCWSD or third persons for the actions of GCCWSD or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this Agreement or any other losses resulting in any way from the Subawards, the Project, or any contractor or subcontract under this Agreement. The acceptance of the Subawards by GCCWSD does not in any way establish an agency relationship between the United States and the County, the County and the State of Montana, or the County and GCCWSD.

16. PROTECTIONS FOR WHISTLEBLOWERS: In accordance with 41 U.S.C. § 4712, GCCWSD shall not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

The list of persons and entities referenced in the paragraph above includes the following:

- A. A member of Congress or a representative of a committee of Congress;
- B. An Inspector General;
- C. The Government Accountability Office;

- D. A Treasury employee responsible for contract or grant oversight or management;
- E. An authorized official of the Department of Justice or other law enforcement agency;
- F. A court or grand jury; or
- G. A management official or other employee of GCCWSD, or of its contractor or subcontractor who has the responsibility to investigate, discover, or address misconduct.

GCCWSD shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. INCREASING SEAT BELT USE IN THE UNITED STATES: Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), GCCWSD shall encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

18. REDUCING TEXT MESSAGING WHILE DRIVING: Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), the GCCWSD shall encourage its employees, sub-recipients, and contractors to adopt and enforce policies that ban text messaging while driving, and GCCWSD shall establish workplace safety policies to decrease accidents caused by distracted drivers.

19. PURCHASE AND MANAGEMENT OF REAL PROPERTY OR EQUIPMENT. Any purchase of real property or equipment by GCCWSD with the Subawards must be consistent with the Uniform Guidance at 2 CFR Part 200, Subpart D. Equipment or real property acquired for the Project must be used for the originally authorized purpose and maintained subject to all applicable laws and regulations. Equipment and real property will vest in GCCWSD and may only be disposed of in compliance with 2 CFR 200.311 and 2 CFR 200.313.

20. INDEMNIFICATION. GCCWSD shall protect, indemnify, defend, and save the County and its officers, employees, and agents harmless from and against any and all claims, liabilities, demands, causes of actions, judgements, and settlements, including costs and reasonable attorney fees, arising in favor of or asserted by any person or entity which are, or are alleged to be the result of, in whole or in part, any acts, errors, or omissions of GCCWSD, its employees, agents, or independent contractors, in connection with the Project or GCCWSD's failure to comply with the terms of this Agreement. The duty of GCCWSD to defend is not contingent upon an admission or jury determination that GCCWSD committed any negligent acts or engaged in any willful misconduct. GCCWSD shall pay the reasonable costs and attorney fees incurred by the County in establishing its right to defense or indemnification provided herein.

21. ASSIGNMENTS. The Parties mutually agree that there will be no assignments, transfer, or other delegation of this Agreement, nor any interest in this Agreement, without the express prior written consent of the Parties.

22. MODIFICATIONS. This Agreement contains the entire agreement between the Parties, and no statements, promises, or inducements made by either party or agents of either party, which

are not contained in this writing shall be valid or binding. This Agreement shall not be modified or otherwise altered without written agreement of the Parties.

23. SEVERABILITY. It is agreed by the Parties that if any term or provision of this Agreement is held to be illegal or in conflict with any federal or Montana law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.

24. TERMINATION. The County may suspend or terminate this Agreement if GCCWSD fails to comply with any term herein, with applicable rules and regulations established for use of the Subawards by the Treasury or the State of Montana, or with any reasonable directives or orders from DNRC. The County also may terminate this Agreement if GCCWSD makes an intentionally untrue statement or materially misleading certification in this Agreement or its application for the Subawards.

Upon the occurrence of a breach, the County shall provide GCCWSD thirty (30) days written notice by registered mail or personal delivery. The written notice must demand performance of the stated failure within a specified time period of not less than thirty (30) days. If the demanded performance is not completed within the specified time period, the termination is effective at the end of that specified time period. However, if the County determines that a public safety issue or an immediate public crisis exists, it is not required to provide advance written notice or a cure period and may immediately terminate this Agreement in whole or in part if the County, in its sole discretion reasonably exercised, determines that it is reasonably necessary to preserve public safety or prevent an immediate public crisis.

Upon such termination and, at the County's option, GCCWSD shall return to the County all Subaward funds previously issued to GCCWSD together with all interest earned on the monies provided or herein remaining unexpended at such time. In addition, the County may bring such legal action as may be necessary to enforce this Agreement.

25. MONTANA'S LAW AND VENUE. The Parties agree that any action or judicial proceeding for the enforcement of this Agreement shall be instituted only in the courts of the State of Montana, and it is mutually agreed that this Agreement shall be governed by the laws of the State of Montana, both as to interpretation and performance. In the event of litigation concerning the terms of this Agreement, venue shall be in the 18th Judicial District in and for the County of Gallatin, Montana.

26. PUBLIC ACCESS TO INFORMATION. GCCWSD acknowledges the County is a local government unit and its records are public and subject to disclosure under Montana law. Certain information may be protected from disclosure. Protected information includes information concerning an individual privacy interest, protected health information, legitimate trade secrets, constitutionally protected proprietary information, and certain information related to individual or

public safety. The Parties agree to confer prior to disclosure of information relating to this Agreement that may include protected information.

27. NON-WAIVER. No delay or failure by either party to enforce or assert any right, claim, defense, remedy, or provision of this Agreement shall operate as any waiver of any such right, claim, defense, or remedy.

28. REMEDIES CUMULATIVE. The remedies given in this Agreement to either party shall be cumulative, and the exercise of any one remedy by either party shall not be to the exclusion of any other remedy.

29. EFFECT OF DUPLICATE; AUTHORITY TO SIGN; COUNTERPARTS. This Agreement will be filed with the Gallatin County Clerk and Recorder. A copy of the original signed Agreement has the same force and effect as the original. Each individual signing this Agreement represents and warrants that he or she is duly authorized to execute and deliver this Agreement. This Agreement may be executed in counterparts and an electronic or facsimile signature shall have full force and effect, binding the party to its execution.

30. PROJECT MONITORING & ACCESS FOR INSPECTION AND MONITORING. The DNRC, the County, or their agents may monitor and inspect all phases and aspects of GCCWSD's performance to determine compliance with this Agreement, including the adequacy of records and accounts. The Subawards are publicly funded and require GCCWSD to accommodate all requests for public access to the site and project records with due consideration for safety, private property rights, and convenience of all parties.

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT

BY: _____
Scott Altman
Board President

DATE: _____

GALLATIN COUNTY, MONTANA

BY: _____
Zach Brown
Chair, County Commission

DATE: _____

Exhibit B
SLFRF Progress and Expenditure Report

Name of Sub-Recipient: Gallatin Canyon County Water and Sewer District

Report Date: _____

Project Name: _____

Project Expenditure Category: _____

Project Award Number: _____

Project Award Date: _____ Project Award Amount: _____

Payment Method: Grant _____ If Loan, expiration date: N/A

Primary Place of Performance: _____

Project Description:

Between 50 to 250 words, describe the project in sufficient detail to provide understanding of the major activities that will occur. Indicate any sub-tasks or objectives included within the project along with desired outcomes (this description remains the same for the life of the project unless a scope of work change is approved through an amendment).

Related Project Name(s) and ID #s (n/a if not applicable):

Name:	ID #:

Does this project serve an Economically Disadvantaged Community (Y/N)? _____

If "Yes", under what condition(s) does it qualify?

The primary intended beneficiaries earn less than 60% of Median Income

Over 25% of the intended beneficiaries are below the Federal Poverty Line

Projects within certain Expenditure Categories require reporting on this metric.

If "Yes",

How many total beneficiaries were served? _____

How many of those beneficiaries met the criteria above? _____

Expenditures for Current Reporting Period:

Using attachment B (request for reimbursement form), include the amount and a brief description of each individual administrative/financial related expenditure (invoice) that will be paid for in whole or in part using SLFRF funds. Attach a copy of each invoice. Include summary payroll information for all work performed by the SLFRF funded employees. At a minimum, include the name, title, time period or date(s) that work was performed, rates charged/hour, total hours worked, activities performed, and total amount earned. Attach additional documentation as needed.

Additional Required Programmatic Data per Expenditure Category:

Water and Sewer Projects:

Projected/actual construction start date (month/year): _____

Projected/actual initiation of operations date (month/year): _____

Location: _____

Median Household Income of service area: _____

Lowest Quintile Income of the service area: _____

National Pollutant Discharge Elimination System (NPDES) Permit Number (if applicable- clean water): _____

Public Water System (PWS) ID number (if applicable- drinking water): _____

Project Status Update:

- Not started
- Under 50% complete
- Over 50% complete
- Completed

This portion of the report should provide a summary of the overall status of the project and any other information relevant to the implementation of the project. Include a description of any accomplishments achieved since the last progress report submitted. Include timelines for milestones or completion of activities.

Use quantitative terms whenever possible. Provided above is a basic project status, please provide estimates for major components of the project.

Provide any other information that appears pertinent, such as anticipated changes in the contract budget, implementation schedule, or scope of services. For example, if you anticipate any problems or delays that could affect the project implementation schedule or budget, these should be fully described and discussed well in advance, since a budget adjustment requires prior approval. Finally, indicate any milestones from the implementation schedule that are behind schedule and indicate when they should be completed.

I. Gallatin County ARPA Grant

Water PER Contract

**SUBRECIPIENT AND PASS-THROUGH AGREEMENT BETWEEN GALLATIN
COUNTY AND GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT
REGARDING USE OF AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) FUNDS
FOR GALLATIN CANYON SEWER PROJECT- PHASE 1.1
ASSISTANCE LISTING (CFDA) #21.027**

This Subrecipient and Pass-Through Agreement (“Agreement”) is entered between **Gallatin County, Montana**, with its principal offices located at 311 West Main Street, Room 306, Bozeman, Montana 59715 (“County”) and Gallatin Canyon County Water and Sewer District (“GCCWSD”), located at PO Box 160095, Big Sky, Montana, 59716, collectively referred to herein as the “Parties”.

WHEREAS, on March 11, 2021, the American Rescue Plan Act (“ARPA”) was signed into law and established the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Funds, which comprise the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program;

WHEREAS, the SLFRF program is intended to provide support to state, territorial, local, and tribal governments in responding to the economic and public health impacts of COVID-19 and state and local governments’ efforts to contain impacts on their communities, residents, and businesses;

WHEREAS, one of the four statutory eligible uses of a SLFRF award is to make necessary investments in water, sewer, or broadband infrastructure;

WHEREAS, the State of Montana received an SLFRF award, and the 67th State Legislature adopted House Bill 632 to provide for the appropriations and allocations of such funds for state and local water and sewer infrastructure grants, referred to as “Minimum Allocation Grants”;

WHEREAS, the County is the direct recipient of a SLFRF award from the federal government and the pass-through subrecipient of a Minimum Allocation Grant from the State and, consequently, the County is responsible for administering the funds according to federal ARPA directives and House Bill 632;

WHEREAS, GCCWSD has applied to the County for a subaward and pass-through subaward Gallatin Canyon Sewer Project- Phase 1.1 as further described below (the “Project”), which will assist the County by planning the construction of a centralized sewer system for the current GCCWSD, with sufficient capacity to allow for efficient system extension to accommodate expected expansion of the District. The project will also plan to consolidate wastewater treatment to a single entity (BSCWSD) resulting in numerous efficiencies associated with a single water resource reclamation facility for treatment such as, but not limited to administration, operations, reduced treatment infrastructure, and consolidated energy use. Actual construction of the Gallatin Canyon Sewer will be completed in Phase 1.2.

County ARPA funds will be used for Legal & Professional Services, Audit fees, Discharge Permitting, Final Engineering Design, Treatment Capacity Purchase/Agreement, and contingency.

Phase 1.1 activities include:

- Project startup
- Environmental permitting
- Design
- Impact fee and rate study
- Total funding package development
- Contractor procurement
- Residual funds to secure initial treatment capacity from the BSCWSD

WHEREAS, this Agreement will enable the Parties to cooperatively implement and distribute the County’s SLFRF funding through the subaward and to pass-through the Minimum Allocation Grant subaward to GCCWSD;

WHEREAS, the County, as the direct federal grantee of appropriated funds by the U.S. Department of Treasury (“Treasury”), and as a subrecipient of appropriated funds by the Montana Legislature, has determined that the subaward and pass-through subaward to GCCWSD for the Project is in the best interest of the County and its recovery from the pandemic; and

WHEREAS, through this Agreement, the Parties have certified their compliance with applicable federal and state laws and regulations, as required by the Treasury and the State of Montana.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, the Parties agree as follows:

1. EFFECTIVE DATE AND TERM. This Agreement is effective from the date of execution and shall remain in effect until no later than September 30th, 2026, by which date the payment of all expenses must be final. The Parties expressly intend that any verified and appropriate monies offered under this Agreement and expended by GCCWSD for the Project prior to the execution of this Agreement are to be compensated under the terms of this Agreement.

DESCRIPTION OF PROJECT- SCOPE OF WORK. The Project complies with restrictions set forth in House Bill 632, 67th Leg., and the use of SLFRF awarded funds in that it is for the purpose of making necessary investments in water and sewer infrastructure. A complete description of Phase 1 of the Project, including detailed budget information and a schedule of work is included in Agreement #AM-22-0082, between Montana DNRC and Gallatin County. Section 4 (“Project Scope”), Attachment A (“Scope of Work”), Section 5 (“Project Budget”), and Attachment B (“Budget”) thereof are incorporated herein by reference.

Subrecipient shall cause the plans and specifications for the Project to be prepared by a registered professional engineer licensed to practice in his or her areas of competence in the State of Montana.

Subrecipient also shall submit or cause to be submitted the plans and specifications to the Montana Department of Environmental Quality (DEQ) for review and approval prior to construction. Subrecipient agrees that all construction will be in strict accordance with DEQ approved plans and specifications.

A final Montana Environmental Policy Act (MEPA) (§ 75-1-101 et seq., MCA; 36.2.503 ARM) decision notice must be approved by the Montana Department of Natural Resources and Conservation (DNRC) before going to bid or proceeding with activities that have environmental impacts. Reimbursement will be declined for activities not approved under the MEPA decision notice. It is GCCWSD's responsibility to comply with MEPA and to provide all required information requested by DNRC and the County related to any required MEPA decision.

The Project is committed to the defined project outcomes, defined actions to achieve those outcomes, and defined measurements of the effectiveness of those outcomes, as set forth above and as required by House Bill 632, Section 27.

Any transfer of funds between budget categories as identified herein requires written notification and approval by the County and the DNRC liaison.

2. SLFRF SUBAWARD; MINIMUM ALLOCATION GRANT PASS-THROUGH SUBAWARD. For Phase 1 of the Project, the County agrees to pass-through the State Minimum Allocation Grant funding in the amount of \$542,480.00 to GCCWSD to complete the Project. The County also agrees to subaward \$207,520.00 to GCCWSD of direct SLFRF funding received by the County as matching funds. The cumulative award under this agreement is \$750,000.00. The SLFRF Subaward and Minimum Allocation Grant Pass-Through Subaward are hereafter collectively referred to as the "Subawards".

3. USE OF FUNDS. GCCWSD may use the Subawards to fund eligible costs obligated beginning March 3, 2021 and up to **December 31, 2024**; provided, however, that all such costs must be paid by no later than December 31, 2026. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from the subaward.

GCCWSD may use the SLFRF Subaward to cover direct costs only. GCCWSD may use the Minimum Allocation Grant Pass-Through Subaward to cover direct administrative costs, but not indirect administrative costs. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for the Project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the subaward, such as the cost of facilities or administrative functions like a director's office.

GCCWSD shall use the Subawards in compliance with the SLFRF Award Terms and Conditions (**attached hereto** and incorporated herein by reference), the Treasury's Final Rule, House Bill 632, the terms and conditions of Grant Agreement #AM-22-0082 between the DNRC and the County,

and all other applicable state and federal laws and regulations, now in effect or that hereafter become effective. In addition, GCCWSD shall provide to the County proper documentation supporting determinations of costs and applicable compliance requirements and identifying how the requirements have been satisfied, as well as all other documentation necessary for the County’s completion of quarterly and annual Project and Expenditure reports, including but not limited to subaward reporting.

GCCWSD understands and agrees that the funds disbursed under this Agreement may be used only in compliance with Section 603(c) of the Social Security Act, the Treasury’s regulations implementing that section, and the guidance issued by the Treasury regarding the foregoing. GCCWSD shall determine, prior to engaging in any project using this assistance, that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project. The GCCWSD agrees that the funds shall be used only in accordance with and in furtherance of the Project.

The Subawards may be subject to recoupment as required by applicable laws or if any of the expenses incurred through this Agreement are found to be ineligible.

4. QUARTERLY INVOICE AND PROGRAM REPORTS. GCCWSD agrees to comply with all reporting obligations established by the Treasury or the State of Montana, or required by the County, as they relate to the Subawards. GCCWSD agrees to provide to the County detailed quarterly invoices and proof of payment of all expenditures in statements accurately reflecting the costs, payments, and status of the Project, including but not limited to bills submitted to GCCWSD for payment relating to the Project, receipts or ledger with check/voucher number and date showing GCCWSD has paid the bills, and the estimated final costs of completing the Project. Templates for quarterly invoicing and quarterly program reports are incorporated herein as Exhibits A and B and shall be submitted by GCCWSD on the following schedule:

Report	Year	Quarter	Period Covered	Due Date
6	2023	1	Jan 1 – Mar 31	Apr 15 th , 2023
7	2023	2	Apr 1 – Jun 30	Jul 15 th , 2023
8	2023	3	Jul 1 – Sep 30	Oct 15 th , 2023
9	2023	4	Oct 1 – Dec 31	Jan 15 th , 2024
10	2024	1	Jan 1 – Mar 31	Apr 15 th , 2024
11	2024	2	Apr 1 – Jun 30	Jul 15 th , 2024
12	2024	3	Jul 1 – Sep 30	Oct 15 th , 2024
13	2024	4	Oct 1 – Dec 31	Jan 15 th , 2025
14	2025	Final	Oct 1, 2021 – Dec 31, 2024	March 1 st , 2025

5. PAYMENTS. Upon receipt of GCCWSD’s quarterly invoice and quarterly program report, the County will issue a reimbursement for the documented expenditures or will deny the requested reimbursement, in whole or in part, with a written statement detailing items not approved for reimbursement and the reason(s) for disapproval. The County may disapprove a requested reimbursement or a portion thereof based upon GCCWSD’s failure to comply with any material provision of this Agreement, including strict compliance with all reporting obligations.

6. MAINTENANCE OF AND ACCESS TO RECORDS. GCCWSD shall maintain records and financial documents sufficient to evidence compliance with Section 603(c) of the Social Security Act, the Treasury’s regulations implementing that section, and guidance issued by the Treasury regarding the foregoing. The Treasury Office of Inspector General, the Government Accountability Office, the DNRC, the Montana legislative auditor, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of GCCWSD in order to conduct audits or other investigations. Records including but not limited to all invoices, bills, and other relevant documentation of SLFRF expenditures shall be maintained by GCCWSD for a period of five (5) years after all funds related to the Project have been expended or returned to the County, whichever is later. GCCWSD shall cause proper and adequate books of records and accounting to be kept showing complete and correct entries of all receipts, disbursements, and other transactions relating to the Project. GCCWSD agrees that the County and its agents may, at any reasonable time, inspect or audit all records that GCCWSD maintains pertaining to the Project to verify compliance with this Agreement. In addition, the County may require with reasonable cause and notice the GCCWSD to submit to an audit by a Certified Public Accountant or other person acceptable to the County, paid for by the GCCWSD. The County may terminate this Agreement upon any refusal of GCCWSD to allow access to records necessary for the County, its agent, or any auditor to conduct any audit or inspection.

GCCWSD further agrees that, if it is receiving \$750,000 or more in federal funds within a fiscal year, it shall maintain complete, accurate, documented, and current accounting of all program funds received and expended in accordance with OMB Uniform Guidance rules and shall file and provide the County with a copy of a “Uniform Guidance Audit” (formally called a single audit or federal audit) in accordance with the OMB Uniform Guidance rules.

GCCWSD shall maintain for the purposes of this Agreement an accounting system of procedures and practices that conforms to Generally Accepted Accounting Principles (GAAP). As defined by 2 CFR § 200.49, GAAP “has the meaning specified in accounting standards issued by the Government Accounting Standards Board and the Financial Accounting Standards Board.”

7. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS. GCCWSD shall conform with all applicable state and federal laws, regulations and statues including but not limited to those set forth in SLFRF, the American Rescue Plan Act of 2021, PUB L. No 117-2, the Compliance and Reporting Guidance SLFRF Version 3.0 (February 28, 2022), and as such Guidance may be amended, the Treasury’s Final Rule, 31 CFR Part 35, House Bill 632, and the Montana Infrastructure Advisory Commission Application Guidelines. In addition, the Parties shall conform with the requirements set forth in the Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards.

Further, GCCWSD agrees to comply with the requirements of Section 603 of the Social Security Act, regulations adopted by the Treasury pursuant to section 603(f) of the Act, and guidance issued by the Treasury regarding the foregoing. GCCWSD also agrees to comply with all other applicable

federal and state statutes, regulations, and executive orders, and GCCWSD shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.

Federal regulations applicable to this award include, without limitation, the following:

- A. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by the Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award;
- B. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference;
- C. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference;
- D. OMB Guidelines to Agencies on Government wide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury’s implementing regulation at 31 C.F.R. Part 19;
- E. Sub-recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference;
- F. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
- G. New Restrictions on Lobbying, 31 C.F.R. Part 21;
- H. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations; and
- I. Generally applicable federal environmental laws and regulations.

Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:

- A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury’s implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
- B. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
- C. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
- D. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury’s implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance;

- E. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto; and
- F. The Montana Governmental Code of Fair Practices (Title 49, Chapter 3, Montana Code Annotated), which prohibits discrimination in the performance of this Agreement against any person on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability or national origin. Further, pursuant to § 49-3-207, MCA, all hiring for the purposes of this Agreement must be on the basis of merit and qualifications only.

As a condition of receiving the Subawards, GCCWSD agrees to abide by the assurances stated in the “Assurances of Compliance with Civil Rights Requirements” attached hereto and incorporated herein by this reference. Further, GCCWSD shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Treasury’s Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with “Limited English Proficiency” in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Department of the Treasury’s Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or Agreement.

GCCWSD also agrees to adhere to Montana statutes and regulations applicable to counties, such as, but not limited to, public procurement and solicitation requirements, environmental laws, safety laws, and labor laws. These laws include, without limitation:

- A. Montana Labor Preference (§ 18-2-403, MCA) for work defined as “public works” per § 18-2-401, MCA;
- B. Prevailing Wage Rates (§ 18-2-403, MCA, et seq.);
- C. Montana Safety Culture Act (Title 39, Chapter 71, Part 15, MCA);
- D. Professional Licensure requirements (Title 37, MCA);
- E. Registration and Withholding (Title 39, Chapter 9 and Title 15, Chapter 50, MCA)
- F. Subcontractor Payments (Title 18, Chapter 2, Part 21, MCA);
- G. Occupational Health and Safety (Title 50, Chapter 71, MCA);
- H. Montana Worker’s Compensation Act (Title 39, Chapter 71, MCA);
- I. Public Contracting and Procurement (Title 18, MCA); and
- J. Montana Environmental Protection Act (Title 75, MCA; 36.2.503, ARM).

It shall be GCCWSD’s responsibility to obtain all permits, licenses, and authorizations required from government authorities prior to initiation of the Project or required to be obtained by the time of completion of the Project to be eligible for reimbursement under this Agreement. Permits or authorizations may include, but are not limited to: Beneficial Water Use Permits (§ 85-2-302(1), MCA); Chance in Appropriation Right Authorization (§ 85-2-402(1)(a), MCA), and other requirements under the Montana Water Use Act that may apply; Sage Grouse Habitat (Executive

Order 21-2015), 310 permitting requirements, or other permits or authorizations that may be required by state, local, or federal agencies prior to beginning work on the Project or prior to completion of the Project.

Procurement of labor, services, supplies, materials, and equipment shall be conducted according to applicable federal, state, and local law and regulation. The County and DNRC may review any procurement solicitations that GCCWSD issues. Neither the County's nor DNRC's review or comments constitute an approval of the solicitation. GCCWSD remains bound by all applicable laws, regulations, and terms and conditions of the Agreement.

GCCWSD shall require its contractors and subcontractors to comply with all terms and conditions of this Agreement, as well as all applicable federal, state, and local laws and regulations.

8. PROJECT FUNDING RECIPIENT RESPONSIBILITIES: GCCWSD has the primary responsibility for directing, supervising, monitoring, and coordinating the performance of all Project activities carried out under the terms of this Agreement. GCCWSD has not been hired by the County to perform any work for or on behalf of the County. GCCWSD shall remain responsible for all work performed and for the completion of the Project. In performing the Project, GCCWSD is not an agent, employee, or independent contractor of the County. The agents, employees, and independent contractors associated with or hired by GCCWSD relating to the Project are not agents, employees, or independent contractors of the County. This Agreement does not create a partnership, joint venture, joint enterprise or joint undertaking of any sort between GCCWSD, its agents, employees, or independent contractors, and the County for the Project or otherwise.

9. CONFLICTS OF INTEREST: GCCWSD understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under the Subawards. GCCWSD must disclose in writing to the County and the Treasury any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

10. REMEDIAL ACTIONS: In the event of the GCCWSD's noncompliance with Section 603 of the Social Security Act, other applicable laws or regulations, the Treasury's or State of Montana's implementing regulations or guidance, House Bill 632, or any reporting or other program requirements, the County may impose additional conditions on the receipt of a subsequent tranche of subaward funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of Section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.

11. HATCHACT: GCCWSD agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

12. FALSE STATEMENTS: GCCWSD understands that making false statements or claims in connection with the Subawards is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and any other remedy available by law.

13. PUBLICATIONS: Any publications produced with funds from the Subawards must display the following language: “This project [is being] [was] supported, in whole or in part, by federal award number SLRFP0471 awarded to Gallatin County and by federal award number SLRFP1747 awarded to State of Montana by the U.S. Department of the Treasury.”

14. DEBTS OWED: Any funds paid to GCCWSD: (1) in excess of the amount to which GCCWSD is finally determined to be authorized to retain under the terms of this Agreement; (2) that are determined by the Treasury Office of Inspector General, the State of Montana, or the County to have been misused; or (3) that are determined by the Treasury, the State of Montana, or the County to be subject to a repayment obligation pursuant to Section 603(e) of the Social Security Act or other applicable law and have not been repaid by the GCCWSD shall constitute a debt to the County. Any debts determined to be owed must be paid promptly to the County by GCCWSD. A debt is delinquent if it has not been paid by the date specified in the Treasury’s, State’s, or County’s initial written demand for payment, unless other satisfactory arrangements have been made or if GCCWSD knowingly or improperly retains funds that are a debt as defined in the first sentence of this paragraph. County will take any actions available to it to collect such a debt.

15. DISCLAIMER: The County expressly disclaims any and all responsibility or liability to GCCWSD or third persons for the actions of GCCWSD or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this Agreement or any other losses resulting in any way from the Subawards, the Project, or any contractor or subcontract under this Agreement. The acceptance of the Subawards by GCCWSD does not in any way establish an agency relationship between the United States and the County, the County and the State of Montana, or the County and GCCWSD.

16. PROTECTIONS FOR WHISTLEBLOWERS: In accordance with 41 U.S.C. § 4712, GCCWSD shall not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

The list of persons and entities referenced in the paragraph above includes the following:

- A. A member of Congress or a representative of a committee of Congress;
- B. An Inspector General;
- C. The Government Accountability Office;

- D. A Treasury employee responsible for contract or grant oversight or management;
- E. An authorized official of the Department of Justice or other law enforcement agency;
- F. A court or grand jury; or
- G. A management official or other employee of GCCWSD, or of its contractor or subcontractor who has the responsibility to investigate, discover, or address misconduct.

GCCWSD shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. INCREASING SEAT BELT USE IN THE UNITED STATES: Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), GCCWSD shall encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

18. REDUCING TEXT MESSAGING WHILE DRIVING: Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), the GCCWSD shall encourage its employees, sub-recipients, and contractors to adopt and enforce policies that ban text messaging while driving, and GCCWSD shall establish workplace safety policies to decrease accidents caused by distracted drivers.

19. PURCHASE AND MANAGEMENT OF REAL PROPERTY OR EQUIPMENT. Any purchase of real property or equipment by GCCWSD with the Subawards must be consistent with the Uniform Guidance at 2 CFR Part 200, Subpart D. Equipment or real property acquired for the Project must be used for the originally authorized purpose and maintained subject to all applicable laws and regulations. Equipment and real property will vest in GCCWSD and may only be disposed of in compliance with 2 CFR 200.311 and 2 CFR 200.313.

20. INDEMNIFICATION. GCCWSD shall protect, indemnify, defend, and save the County and its officers, employees, and agents harmless from and against any and all claims, liabilities, demands, causes of actions, judgements, and settlements, including costs and reasonable attorney fees, arising in favor of or asserted by any person or entity which are, or are alleged to be the result of, in whole or in part, any acts, errors, or omissions of GCCWSD, its employees, agents, or independent contractors, in connection with the Project or GCCWSD's failure to comply with the terms of this Agreement. The duty of GCCWSD to defend is not contingent upon an admission or jury determination that GCCWSD committed any negligent acts or engaged in any willful misconduct. GCCWSD shall pay the reasonable costs and attorney fees incurred by the County in establishing its right to defense or indemnification provided herein.

21. ASSIGNMENTS. The Parties mutually agree that there will be no assignments, transfer, or other delegation of this Agreement, nor any interest in this Agreement, without the express prior written consent of the Parties.

22. MODIFICATIONS. This Agreement contains the entire agreement between the Parties, and no statements, promises, or inducements made by either party or agents of either party, which

are not contained in this writing shall be valid or binding. This Agreement shall not be modified or otherwise altered without written agreement of the Parties.

23. SEVERABILITY. It is agreed by the Parties that if any term or provision of this Agreement is held to be illegal or in conflict with any federal or Montana law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.

24. TERMINATION. The County may suspend or terminate this Agreement if GCCWSD fails to comply with any term herein, with applicable rules and regulations established for use of the Subawards by the Treasury or the State of Montana, or with any reasonable directives or orders from DNRC. The County also may terminate this Agreement if GCCWSD makes an intentionally untrue statement or materially misleading certification in this Agreement or its application for the Subawards.

Upon the occurrence of a breach, the County shall provide GCCWSD thirty (30) days written notice by registered mail or personal delivery. The written notice must demand performance of the stated failure within a specified time period of not less than thirty (30) days. If the demanded performance is not completed within the specified time period, the termination is effective at the end of that specified time period. However, if the County determines that a public safety issue or an immediate public crisis exists, it is not required to provide advance written notice or a cure period and may immediately terminate this Agreement in whole or in part if the County, in its sole discretion reasonably exercised, determines that it is reasonably necessary to preserve public safety or prevent an immediate public crisis.

Upon such termination and, at the County's option, GCCWSD shall return to the County all Subaward funds previously issued to GCCWSD together with all interest earned on the monies provided or herein remaining unexpended at such time. In addition, the County may bring such legal action as may be necessary to enforce this Agreement.

25. MONTANA'S LAW AND VENUE. The Parties agree that any action or judicial proceeding for the enforcement of this Agreement shall be instituted only in the courts of the State of Montana, and it is mutually agreed that this Agreement shall be governed by the laws of the State of Montana, both as to interpretation and performance. In the event of litigation concerning the terms of this Agreement, venue shall be in the 18th Judicial District in and for the County of Gallatin, Montana.

26. PUBLIC ACCESS TO INFORMATION. GCCWSD acknowledges the County is a local government unit and its records are public and subject to disclosure under Montana law. Certain information may be protected from disclosure. Protected information includes information concerning an individual privacy interest, protected health information, legitimate trade secrets, constitutionally protected proprietary information, and certain information related to individual or

public safety. The Parties agree to confer prior to disclosure of information relating to this Agreement that may include protected information.

27. NON-WAIVER. No delay or failure by either party to enforce or assert any right, claim, defense, remedy, or provision of this Agreement shall operate as any waiver of any such right, claim, defense, or remedy.

28. REMEDIES CUMULATIVE. The remedies given in this Agreement to either party shall be cumulative, and the exercise of any one remedy by either party shall not be to the exclusion of any other remedy.

29. EFFECT OF DUPLICATE; AUTHORITY TO SIGN; COUNTERPARTS. This Agreement will be filed with the Gallatin County Clerk and Recorder. A copy of the original signed Agreement has the same force and effect as the original. Each individual signing this Agreement represents and warrants that he or she is duly authorized to execute and deliver this Agreement. This Agreement may be executed in counterparts and an electronic or facsimile signature shall have full force and effect, binding the party to its execution.

30. PROJECT MONITORING & ACCESS FOR INSPECTION AND MONITORING. The DNRC, the County, or their agents may monitor and inspect all phases and aspects of GCCWSD's performance to determine compliance with this Agreement, including the adequacy of records and accounts. The Subawards are publicly funded and require GCCWSD to accommodate all requests for public access to the site and project records with due consideration for safety, private property rights, and convenience of all parties.

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT

BY: _____
Scott Altman
Board President

DATE: _____

GALLATIN COUNTY, MONTANA

BY: _____
Zach Brown
Chair, County Commission

DATE: _____

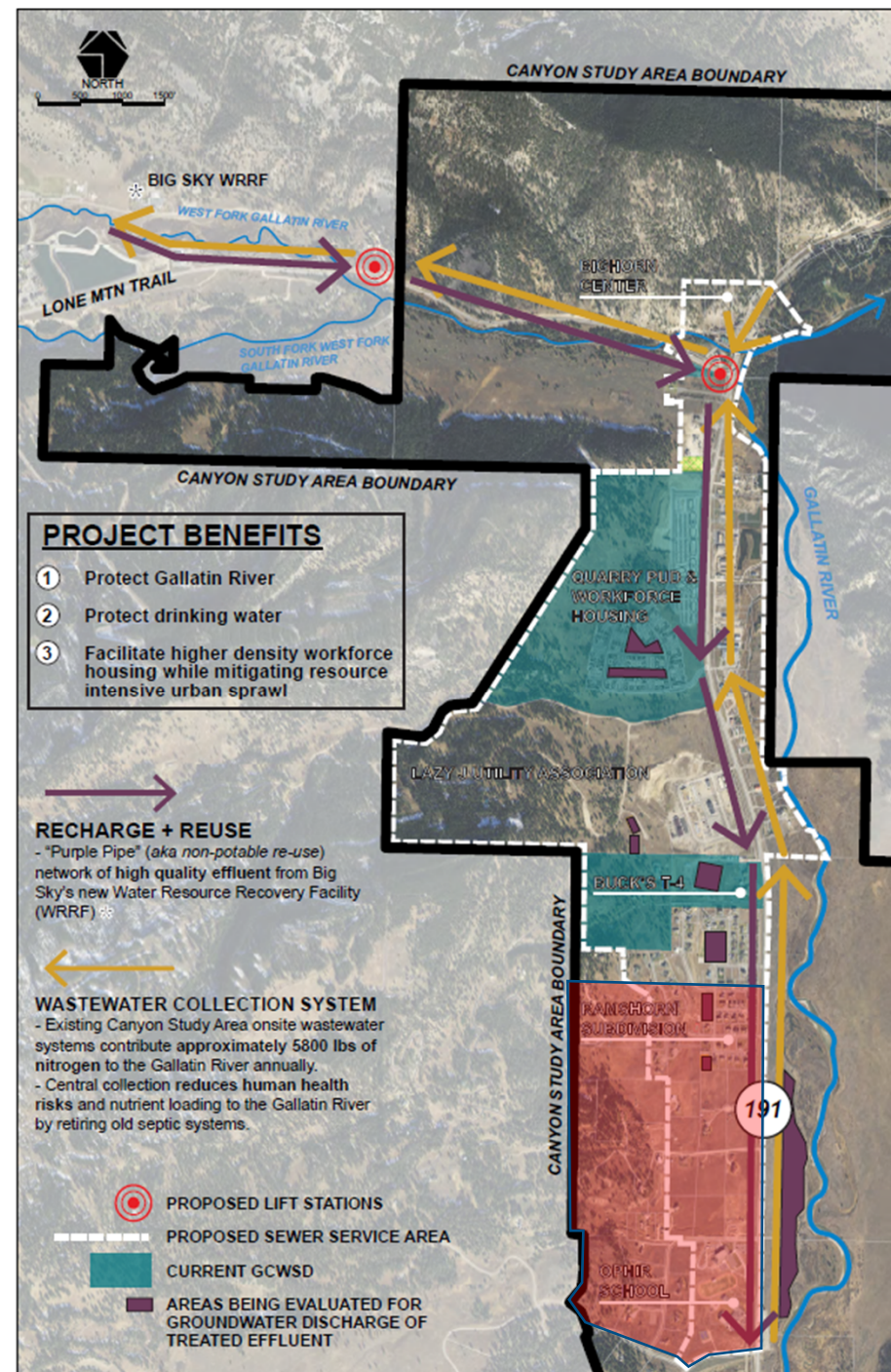


Gallatin Canyon Sewer

Connection Fees & Rates Update



Overview of Project



Base Cost Analysis

Capital Costs	
Service Area 1 – Dudley Creek Area	NA
Service Area 2 – Bighorn Center Area	\$1,684,000
Service Area 3 – Kallestad Conservation Area	NA
Service Area 4 – River Front Properties	\$2,427,000
Service Area 5 – Quarry PUD	\$1,353,000
Service Area 6 & 7 – Lazy J Utility	\$1,080,000
Service Area 8 – Bucks T-4	\$413,000
Service Area 9 – Ramshorn Subdivision (Lower)	\$863,000
Sub-Total	\$7,820,000
Conveyance	\$6,700,000
Treatment	\$5,544,000
Disposal	\$6,200,000
	\$26,264,000

Grants	
1% Contribution	\$12,000
ARPA - Competitive Grant	\$2,000,000
ARPA - Gallatin County Minimum Allocation Grant	\$500,000
ARPA – Ramshorn*	\$200,000
ARPA - Gallatin County Local Fiscal Recovery Funds	\$250,000
Total	\$14,950,000

Additional Phase Pricing

Capital Costs	
Service Area 10 – Ramshorn Subdivision (Upper)	\$760,000
Service Area 11 – North Foothills	\$1,520,000
Service Area 12 & 13 – School Collection (w/ low density residential)	\$1,513,000
Treatment Incremental Costs (Buy-In)	\$723,836

Total Additional Costs:
\$4,516,836

2 Approaches to Additional Phase Pricing

- Rolled In – all costs are grouped and then proportionally spread to users based on capacity needs
- Incremental – phased areas costs are segregated and applied directly to those areas

Resulting Connection Charges

Capital Costs	Scenario 1	Scenario 2
Service Area 1 – Dudley Creek Area	\$0	
Service Area 2 – Bighorn Center Area	\$606,806	\$850,614
Service Area 3 – Kallestad Conservation Area	\$0	
Service Area 4 – River Front Properties	\$797,374	\$1,117,749
Service Area 5 – Quarry PUD	\$3,836,421	\$5,377,849
Service Area 6 & 7 – Lazy J Utility	\$1,238,688	\$1,736,377
Service Area 8 – Bucks T-4	\$1,474,389	\$2,066,781
Service Area 9 – Ramshorn Subdivision (Lower)	\$411,821*	\$657,644*
Service Area 10 – Ramshorn Subdivision (Upper)		\$745,166
Service Area 11 – North Foothills		\$182,777
Service Area 12 & 13 – School Collection (w/ low density residential)		\$639,718

* Additional \$200,000 from ARPA

Latecomer Discussion

- Infrastructure to be handled like the “Incremental” previously
- Additional carrying costs for other infrastructure
- Also likely to suffer from project cost inflation

Value of Existing Systems

- How do we value 1) Disposal Capacity and 2) Removal of Nutrients
 - Trade off where it has to be less than developing new capacity
- Disposal Capacity
 - New capacity will cost between \$3M and \$5.7M to add between 60 MG & 195 MG/year
 - Initial credit considerations at \$0.05/gal towards BSWSD fee (assumes BSWSD offset)
- Nutrients
 - Placeholder estimates at \$500/lb nutrient credit
 - Likely to be assumed by all users as operating cost

Connection Fees | Ramshorn Example

Initial Fee:	\$611,000
(Less) ARPA:	-\$200,000

Resulting Fee:	\$415,000
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Credit Offsets

Nutrients:
\$395,000

Disposal:
\$396,000*

Remaining fee is between \$0 and \$20,000

*Set at projected Ramshorn Lower connection fee for BSWSD Treatment

Operating Costs

- Long-term, still based on major costs of treatment at Big Sky & pumping to get there
- Includes debt service as lift station sized for additional capacity
- **Totals Approximately \$800,000 / year** under either scenario
 - Increase in treatment is offset by reduction in debt
 - Additional flows mean a lower \$/kgal of discharged flows

Rate Structure Options

- Balance between fixed and variable rates
 - Hard to charge per gallon when you are purely wastewater
- User Classes often have different fees, but usage within classes can often vary
 - Residential rentals vs. not
 - Offices vs. restaurants
- First cut is looking are broader areas & projected flows to identify share of total cost
 - Could consider charging HOAs directly

Preliminary Rates

Capital Costs	Flows	Scenario 1	Scenario 2
Service Area 1 – Dudley Creek Area		N/A	
Service Area 2 – Bighorn Center Area	12,100	\$56,308	\$49,981
Service Area 3 – Kallestad Conservation Area		N/A	
Service Area 4 – River Front Properties	15,900	\$73,991	\$65,677
Service Area 5 – Quarry PUD	76,500	\$355,996	\$315,993
Service Area 6 & 7 – Lazy J Utility	24,700	\$114,943	\$102,027
Service Area 8 – Bucks T-4	29,400	\$136,814	\$121,440
Service Area 9 – Ramshorn Subdivision (Lower)	12,200	\$56,773	\$50,394
Service Area 10 – Ramshorn Subdivision (Upper)	10,600		\$43,785
Service Area 11 – North Foothills	2,600		\$10,740
Service Area 12 & 13 – School Collection (w/ low density residential)	9,100		\$37,589
		\$795k	\$797k

Ramshorn Example

Capital Costs	Flows	Scenario 1	Scenario 2
Service Area 9 – Ramshorn Subdivision (Lower)	12,200	\$56,773	\$50,394

77 Users within the Area

Scenario 1: \$61/mo*

Scenario 2: \$55/mo

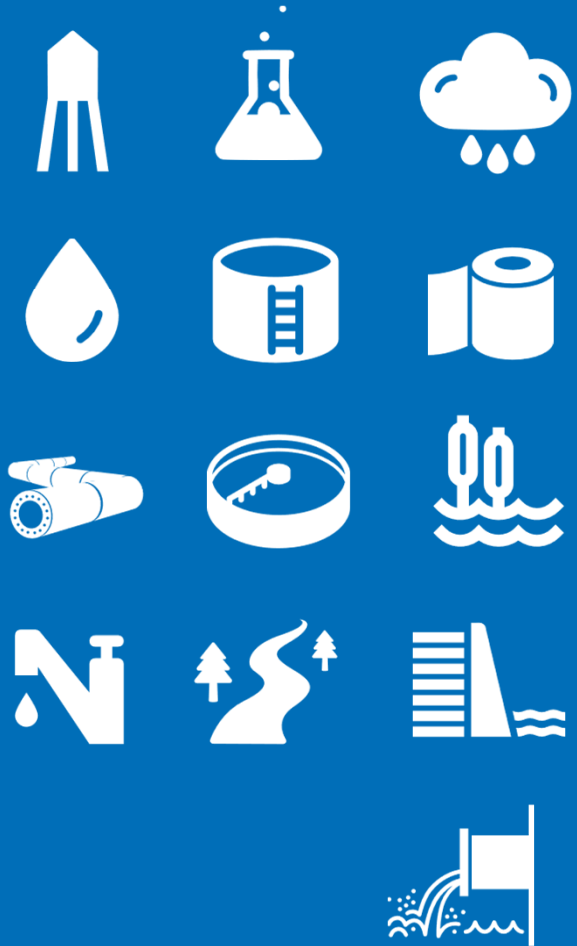
Connection fee of \$415,000 is paid upfront by Ramshorn and \$200,000 by ARPA

*If Nutrient Credit of \$395,000 is applied to connection, rates increase by ~\$2.50/mo

Alt Connection Option 1

- Alternative Scenario
 - no connection fees are charged, larger project is bonded, and **customers repay through rates**
- \$415k in additional capital results in 5-year debt service of \$107k
- \$1,380 per connection per year (77 connections)
- \$115 per connection per month
- **Total Monthly Fee: \$176**

WATER, WASTEWATER, WATER RESOURCES



CONSTRUCTION/POST-CONSTRUCTION



MONEY, FUNDING, BIDDING, DATA



PRACTICES / OTHERS

